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(The views expressed in the signed articles are the personal opinions of the contributors and are in no sense official, nor is the Indian Institute of Public Administration responsible for them.)

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COMPTROLLER & AUDITOR-GENERAL OF INDIA AND THE U.K.—A COMPARISON¹

S. L. Shakdher

THE Comptroller & Auditor-General of India is appointed by the President by warrant under his hand and seal and he can only be removed from office in like manner and on like grounds as a Judge of the Supreme Court². The President makes the appointment to the office of the Comptroller & Auditor-General on the advice of the Prime Minister. The incumbent of the post is usually one who has held high appointments in the Central Government Secretariat, for a wide knowledge and experience of the administration of the Government Departments are considered indispensable to this office.

The Comptroller & Auditor-General, before he enters upon his office, makes and subscribes before the President or some person appointed in that behalf by the President an oath or affirmation according to the form³ set out in the Constitution.

¹ The article is based on the writer's first hand knowledge of the working of the Public Accounts Committee in India and on the discussions which he had in London some years ago with late Sir Frank Tribe, Comptroller & Auditor-General of the U.K. and with the Clerk of the House and the Clerks of the Financial Committees of the House of Commons and the written material supplied.

² Clause (4) of Art. 124 of the Constitution says :

"A Judge of the Supreme Court shall not be removed from his office except by an order of the President passed after an address by each House of Parliament supported by a majority of the total membership of that House and by a majority of not less than two-thirds of the members of that House present and voting has been presented to the President in the same session for such removal on the ground of proved misbehaviour or incapacity."

³ The form of oath/affirmation is as follows :

"I,....., having been appointed Comptroller & Auditor-General of India do swear in the name of God/solemnly affirm that I will bear true faith and allegiance to the Constitution of India as by law established, that

The Comptroller & Auditor-General has full administrative control over all the officers and staff serving in the Audit Department except that first appointments to the Indian Audit & Accounts Service are made by the President and powers regarding major disciplinary action in regard to the officers of that service, *viz.*, dismissal and removal from service vest in the President. The President can prescribe by rules the conditions of service of persons serving in the Audit and Accounts Department and the administrative powers of the Comptroller & Auditor-General only after consultation with the Comptroller & Auditor-General⁴.

The Comptroller & Auditor-General submits his Audit Report relating to the accounts of the Union to the President and that relating to the accounts of a State to the Governor of the State. The Constitution requires the President and the Governor to cause it to be laid⁵ before each House of Parliament or before the legislature of the State as the case may be.

The salary and other conditions of service of the Comptroller & Auditor-General are required to be determined by Parliament⁶ by law and neither his salary nor his rights in respect of leave of absence, pension or age of retirement can be varied to his disadvantage after his appointment. The Comptroller & Auditor-General (Conditions of Service) Act, 1953, regulates certain conditions of his service in the matter of term of his office and pension. Other conditions of service, save as otherwise expressly provided for in the Act, are as specified in the Second Schedule of the Constitution. Under the Act, his term of office is fixed at 6 years. He is debarred⁷ from eligibility for further office either under the Government of India or under the Government of any State after he has ceased to hold his office. The administrative expenses of his office are charged⁸ upon the Consolidated Fund of India.

No Minister represents the Comptroller & Auditor-General in the Houses of Parliament and no Minister can be called upon to take any responsibility for any actions done or omitted to be done by him.

I will duly and faithfully and to the best of my ability, knowledge and judgment perform the duties of my office without fear or favour, affection or illwill and that I will uphold the Constitution and the laws.”

⁴ Art. 148 (5) of the Constitution of India.

⁵ Art. 151, *ibid.*

⁶ Art. 148(3), *ibid.*

⁷ Art. 148(4), *ibid.*

⁸ Art. 148(6), *ibid.*

All the foregoing provisions go to show that the Comptroller & Auditor-General is an independent authority, free from control by any executive department of the Government or the Government of the day.

The Comptroller & Auditor-General is required to perform such duties and exercise such powers in relation to the accounts of the Union and of the States and of any other authority or body as may be prescribed by or under any law by Parliament and, until provision in that behalf is so made, to perform such duties and exercise such powers as were conferred or exercised by the Auditor-General of India immediately before the commencement of the Constitution in relation to the accounts of the Dominion of India and of the Provinces respectively⁹. Parliament has not so far prescribed by any law¹⁰ the duties and powers of the Comptroller & Auditor-General. Some Acts¹¹ of Parliament constituting corporations or other bodies

⁹ Art. 149, *ibid*.

¹⁰ It has been stated recently that a Bill on the subject is under preparation and will be brought before Parliament in due course. It is likely that the comments of the Public Accounts Committee may be invited on the Bill. In this connection, it may be noted that in the U.K. the first Exchequer and Audit Department Bill was prepared by the Treasury with the assistance of the Board of Audit and was introduced in the House by the Prime Minister. The Bill was committed by the House to the Public Accounts Committee which was then five years old. The Committee considered the clauses of the Bill, took evidence on it and made certain amendments.

See paragraph 2 of the historical memorandum prepared by the Comptroller & Auditor-General which was attached to the report of 1916 Public Accounts Committee.

- ¹¹ (a) Damodar Valley Corporation Act, 1948.
 (b) The Employees' State Insurance Act, 1948.
 (c) Industrial Finance Corporation Act, 1948.
 (d) Rehabilitation Finance Administration Act, 1948.
 (e) Air Corporations Act, 1953.

See also Section 619 of the Indian Companies Act, 1956, which provides as follows :

"619. *Application of sections 224 to 233 to Government Companies:* In the case of a Government company, the following provisions shall apply, notwithstanding anything contained in sections 224 to 233.

(2) The auditor of a Government company shall be appointed or re-appointed by the Central Government on the advice of the Comptroller and Auditor-General of India.

(3) The Comptroller & Auditor-General of India shall have power :

(a) to direct the manner in which the company's accounts shall be audited by the auditor appointed in pursuance of sub-section (2) and to give such auditor instructions in regard to any matter relating to the performance of his functions as such;

have in individual cases prescribed that the Comptroller General should conduct the audit of such corporations or bodies. In the main, therefore, his duties continue to remain the same as were being performed by the Auditor-General of the Dominion of India before the Constitution came into force in accordance with Government of India (Audit & Accounts) Order, 1936, as adapted by the India (Provisional Constitution) Order, 1947.

Before the Constitution came into force, the functions of the Auditor-General of the Dominion of India included keeping of accounts for Civil (except Railways) and P. & T. Departments of the Government and also making of payments in certain cases on their behalf—functions which normally belong to administrative departments. The transfer of accounting functions relating to railways from the Auditor-General to the Railway authorities was completed by stages in 1929. The Defence accounts have always been under the control of Financial Adviser—Defence Finance—a wing of the Ministry of Finance of the Central Government. The Initial & Subsidiary Accounts Rules¹² placed the responsibility for keeping the initial accounts on Treasuries and Departmental officers. The responsibility for payment by the offices under the control of the Comptroller & Auditor-General (*i.e.*, Civil Accountants-General and Accountant General, Posts & Telegraphs) related to only a few provincial Head-quarter stations.

The above position still continues despite the fact that Parliament and the Public Accounts Committee have repeatedly pointed out the desirability of transferring the remaining accounting and payment functions to the administrative departments. Through the concerted efforts of the Comptroller & Auditor-General and the

(b) to conduct a supplementary or test audit of the company's accounts by such person or persons as he may authorise in this behalf; and for the purposes of such audit, to require information or additional information to be furnished to any person or persons so authorised, on such matters, by such person or persons, and in such form, as the Comptroller & Auditor-General may, by general or special order, direct.

(4) The auditor aforesaid shall submit a copy of his audit report to the Comptroller & Auditor-General of India who shall have the right to comment upon, or supplement, the audit report in such manner as he may think fit.

(5) Any such comments upon, or supplement to, the audit report shall be placed before the annual general meeting of the company at the same time and in the same manner as the audit report.

¹² The rules were made under sub-para (3) of Para 11 of the Government of India (Audit and Accounts) Order, 1936.

Government to bring about this obvious reform, some headway in a small measure has been made recently. But the scheme of separation of accounts from the audit shows no marked progress or early fulfilment on the ground of deficiency of trained manpower and extra cost involved¹³. Therefore, in spite of the Constitutional provisions placing the Comptroller & Auditor-General in an entirely independent position, a certain subordination on his part to the Government in so far as accounting and payment functions are concerned is implied, though under a well regulated convention which Government fully and scrupulously observe, Government seldom interfere in the discretion of the Comptroller & Auditor-General in his day-to-day administration.

The combination of audit functions with the accounts and

¹³ Sometimes other arguments against the separation of accounts from audit are put forward. In the opinion of the present writer they seem to be based on expediency and practical difficulties in the working of the scheme as opposed to the fundamental principle of having a small, compact, efficient and totally independent audit organisation in accordance with the spirit and provisions of the Constitution. Such arguments briefly summarized, are as follows :

(i) Accounting and audit functions are inter-related. The pre-check of claims before admission for payment, the examination of contract documents, etc. with reference to financial principles and practices undertaken in accounting are essentially audit processes. Therefore, there is nothing inherently wrong in combining the two functions.

(ii) An audit independent of administration is necessary to ensure that the internal accounting organisation has not slurred over its responsibility and has not been coerced by the administration in admitting questionable claims and overlooking irregular practices. Where the accounting organisation itself is outside the control of the administration, there does not appear to be any objection in the combination of the two functions.

(iii) Under the rules at present in force, certain responsibilities in the field of accounts have been imposed on the Comptroller & Auditor-General. Therefore, arrangements will have to be made for the consolidation of departmental accounts and the compilation of finance accounts of the Central and State Governments as a whole. This co-ordinating role will imply that uniformity in accounting principles and processes in the units dispersed in the various Ministries has to be maintained. In this connection, the recent reorganisation of the States on linguistic basis, where official business is transacted in the language of the States, has raised yet another obstacle in the way of uniform accounting procedure.

(iv) As the Constitution provides for a single Comptroller & Auditor-General unlike other federal Constitutions, the implication of the disintegration of a specialised department which has been built up over a period of a century with traditions of integrity and efficiency have to be studied carefully.

payment functions is likely to bring—and it frequently does bring—the Comptroller & Auditor-General under an indirect control of the Minister of Finance, for the Minister is very often called upon to answer questions in Parliament on matters which are handled by the Comptroller & Auditor-General on his behalf. The Speaker of the Lok Sabha, the late Shri G.V. Mavalankar, ruled that so long as the Comptroller & Auditor-General was responsible for maintaining accounts in addition to conducting audit, admissibility of questions relating to the former must be regulated as in the case of any other Ministry. In regard to audit functions of the Comptroller & Auditor-General, questions relating to day-to-day administration are not normally admitted, but questions involving supply of factual data or statistics or on matters which have a bearing on policy may be admitted. Normally such questions are admitted for written answer only so that the need for raising supplementaries may be avoided. The Minister of Finance, who is responsible for answering such questions in the House, in practice gets the material for answer from the Comptroller & Auditor-General and places it before the House and may answer supplementaries from such additional material as the Comptroller & Auditor-General may have furnished him. In case the Minister has no information, he informs the House that he will request the Comptroller & Auditor-General to look into the matter.

II

In the U.K., the Comptroller & Auditor-General—his full title being “Comptroller-General of the Receipt & Issue of Her Majesty’s Exchequer and Auditor General of Public Accounts”—is appointed by the Crown by Letters Patent on the advice of the Prime Minister, but he is not required to make and subscribe an oath or affirmation before he enters upon his office. Like his Indian counterpart, the person appointed to the office has always held senior appointments in the Civil Service. The Comptroller & Auditor-General holds his office during good behaviour, subject however to his removal therefrom by the Crown on an address from the two Houses of Parliament. The Comptroller & Auditor-General is regarded as an officer of Parliament and his functions are set out in the Exchequer and Audit Department Acts of 1866 and 1921.

The duties and functions of the Comptroller & Auditor-General are or can be imposed upon him by (1) statutes, and (2) the Treasury. In carrying out the first of these, the Comptroller & Auditor-General is not responsible to the executive. Questions in Parliament about his activities in this respect would be

out of order as involving no Ministerial responsibility and therefore would not be received at the Table. If it were to be alleged that the Comptroller & Auditor-General is not carrying out these duties properly, it will be in order, though in fact it has never been done, for the Member making the allegations to put down a motion for an address to the Crown asking for the removal of the Comptroller & Auditor-General. In considering the Comptroller & Auditor-General's functions, it must be borne in mind that the questions arise from the desire for information of an individual Member, not of the House. Since the Comptroller & Auditor-General is regarded a servant of the House and not of an individual Member, a question is not the appropriate method for eliciting additional information from him. The proper procedure is to move for a Return ordering him to produce the required information. But, here again, this procedure has never been adopted.

As regards the second category of the Comptroller & Auditor-General's duties, however, he is differently placed since the executive lays those duties upon him and so, to the extent Ministerial responsibility exists, questions are in order. Questions asking, for example, whether accounts not previously subject to the audit should in future be made so subject, have frequently been admitted. Questions concerning the establishment¹⁴ of the Exchequer and the Audit Department, the staff of which are civil servants, can similarly be asked. Such questions would be addressed to the Chancellor of the Exchequer and answered by the Financial Secretary to the Treasury. He would, of course, take the responsibility for answering any supplementary questions although in case of doubt it would be for the Chair to decide whether the supplementaries to the questions are in order.

In the U.K., the Comptroller & Auditor-General is concerned with the Audit & Exchequer functions only. Every appropriation account¹⁵ is examined by him on behalf of the House of Commons and in the examination of such accounts the Comptroller & Auditor-General satisfies himself that the money expended has been applied to the purpose or purposes for which the grants made by Parliament were intended to provide and that the expenditure conforms to the authorities governing it¹⁶. The Comptroller & Auditor-General is required to report to the House of Commons any important change in the extent or character of any examination made by him.

¹⁴ The total staff of Audit Department is 500 of which 400 are auditors.

¹⁵ There are 160 Appropriation Accounts.

¹⁶ Section 26(7) of the Exchequer and Audit Department Act, 1866.

The Comptroller & Auditor-General is also required to examine on behalf of the House of Commons all the statements of accounts showing the income and expenditure account of any ship-building, manufacturing, trading or commercial services conducted by any Department of the Government, together with such balance sheets and statements of profit and loss and particulars of costs as the Treasury may require them to prepare and he shall certify and report on them to the House of Commons.

Both in India and the U.K., the Comptroller & Auditor-General may undertake by consent the audit of accounts¹⁷ of *ex officio* transactions of Public Offices in non-voted money, of semi-independent or independent bodies and certain international bodies.

In the U.K., the dates when the accounts should be compiled by the Departments concerned and transmitted to the Audit Department and the reports thereon submitted by the Comptroller & Auditor-General to the House of Commons are laid down by the Exchequer and Audit Department Act and all concerned are required to conform to these dates. The time table is so devised that the accounts relating to civil services and revenue departments including all other trading accounts relating to ship-building, manufacturing, trading and commercial accounts should be presented to the House of Commons by the 31st January and the accounts relating to army, navy and air force should be presented to the House of Commons by the 15th March, after the termination of the financial year to which the relevant accounts relate.

In the U.K., the Comptroller & Auditor-General audits the accounts of the receipts of revenue and of every receiver of money which by law is payable into the Exchequer. In India, however, several important categories¹⁸ of revenue are still not audited.

¹⁷ In the U.K., such accounts cover a wide range of activity, some like the Hospital accounts directly financed from Votes and others like the Insurance Fund Account financed mainly from contributions. There are a number of semi-public accounts such as those of the Church Estates Commissioners. In all, he certifies about 370 accounts each year.

¹⁸ At present, except in regard to customs, no test audit of revenue is being conducted by the Comptroller & Auditor-General. In his latest audit report, the Comptroller & Auditor-General has suggested that it would be desirable to conduct such checking of other revenue heads, especially income-tax.

In this connection, it is useful to bear in mind the following quotation from the review of the working of the Exchequer and Audit Department Act of 1866, prepared by the Comptroller & Auditor-General in the U.K. in 1916 :

“the knowledge that the Comptroller & Auditor-General was cognizant of the manner in which the dispensing power was exercised

Both in India and the U.K. details of the expenditure out of the secret service are not examined by the Comptroller & Auditor-General and Parliament is content with a certificate to the Appropriation Account saying that the amount shown in the account to have been expended is supported by certificates from responsible Ministers or officers, as in India the Secretary of the Ministry concerned gives the prescribed certificate.

In the U.K., it is laid down in the letter of appointment of Accounting Officers, who are as a rule permanent Heads of Departments and generally recognized by Ministers, that it is their duty to represent to Ministers their objections to any course of action which they regard as involving inefficient or uneconomical administration. If such objections involve the Accounting Officer's personal liability on a question of formal regularity or propriety, he has to set out his objections to the proposed expenditure and his ground for it, in writing, to his Minister, and he only makes the payment upon a written instruction from his Minister over-ruling the objection. After making the payment he informs the Treasury of the circumstances and sends the papers to the Comptroller & Auditor-General for the information of the Public Accounts Committee, which would no doubt then acquit him of any personal responsibility for the expenditure.

In India since the 20th August, 1958, when revised arrangements for financial control were introduced whereby wider financial powers were given to administrative Ministries and financial advice was decentralised, it has been laid down as follows :

"All cases in which the advice tendered by the Financial Adviser of the Ministry is not accepted should be referred to the Secretary of the Ministry for his orders and if the Secretary also differs from the advice, the case should be brought to the notice of the Minister. A monthly statement of cases, if any, where the Financial Adviser's views have not been accepted, giving a summary of the differences and the final decision should be forwarded by the Secretary of the Ministry to the Ministry of Finance for information, a copy being endorsed to the Comptroller & Auditor-General simultaneously."

and might report to the Public Accounts Committee any case in which he considered that the particular exercise of the power ought to be brought to the knowledge of the Committee or of Parliament would of itself act as a check against any undue inclusion owing to leniency on the part of the different revenue departments."

III.

Both in the U.K. and in India audit reports of the Comptroller & Auditor-General stand automatically referred to the Committee of Public Accounts which in the U.K. consists of Members of the House of Commons only while in India it is a body composed of fifteen Members of the Lok Sabha, with which seven Members of the Rajya Sabha are associated at the request of the Lok Sabha, the request being renewed every year by a separate resolution of the Lok Sabha in which the Rajya Sabha is asked to concur before nominating its Members.

The functions of the Public Accounts Committee in the U.K. and India are respectively laid down in the Standing Orders of the House of Commons and in the Rules of Procedure of the Lok Sabha.

It is often stated that the function of the Public Accounts Committee—i.e., the scrutiny of Audit reports—is merely *post mortem*. Speaker Mavalankar, while speaking at the inaugural meeting of the first Public Accounts Committee which was set up after the Constitution came into force, deprecated this approach and asserted that the “Public Accounts Committee can influence a good deal even the running administration as we always profit by past experience.” As some one has said, the great progress which medical science claims today and has undoubtedly attained is mainly based on the detailed *post mortem* researches conducted all these years. Referring to the approach which the Public Accounts Committee should adopt in doing its work, Speaker Mavalankar made the following significant observations :

- (i) I have always believed that after all, whatever the quality and quantum of expert knowledge, it has to be tested by the service it renders to the common consumer and therefore the consumer’s or the layman’s ideals in this respect have to be taken into consideration.
- (ii) Members of Parliament will better understand the intention and the mind of Parliament than the Comptroller & Auditor-General and they can better exercise their discretion and judgment.
- (iii) We are divided, opposed, so long as we discuss a matter and so long as finality is not reached. The moment finality is reached it should be the effort of every one to support that. You are sitting in the Committee to go by what Parliament has laid down. The direct corollary is that there must not be any party politics so far as examination of the accounts is concerned.

- (iv) Even in cases where the Committee finds that money has not been properly spent or proper sanction has not been obtained or that the interpretation put by the executive officers or the Audit Department is wrong, we have to see their point of view and unless one is convinced by proof, not by mere suspicion, that there is something wrong somewhere in the sense that there is some misappropriation or mishandling of the money, our approach has always to be one of sympathy and one of give and take."

These principles cast a heavy responsibility on the Comptroller & Auditor-General to so conduct the audit of accounts that a really objective analysis of his findings is available to the Committee and the facts on which his observations are based are undisputed. This also means that only first class issues are brought before Parliament and the Public Accounts Committee through his reports and minor and technical details are eschewed.

Both in the U.K. and India, the reports¹⁹ of the Comptroller and Auditor-General are the basis of the investigation of the Public Accounts Committee and, although they are necessarily brief, a whole year's work of the entire Department is available to the Committee. So far as the technical examination of the expenditure incurred by the Government Department is concerned, the Audit Department has delved deeply and brought to bear upon such examination all its expert knowledge and experience. It is then for the Committee of Public Accounts to apply its mind from the layman's point of view, as pointed

¹⁹ In paragraph 1 (introductory) of Audit Report (Central Civil) 1955 the Comptroller & Auditor-General has stated as follows :

"Irregularities in respect of which adequate remedial measures including suitable disciplinary action where necessary have been taken by Government, have been excluded from this report."

A similar para was included in the Audit Report Defence Services 1957.

There is no such stipulation in the U.K. Audit Reports.

Thus the Comptroller & Auditor-General in India, has taken it upon himself to judge *finally* in every case of irregularity whether *adequate* (a) disciplinary action has been taken, and (b) steps have been taken to prevent such cases in future. Parliament and the Public Accounts Committee do not see the light of such cases. There is a danger that parliamentary control over public expenditure may be vitiated if facts relating to the irregularity committed and the action taken by Government are not included in the audit reports and the matter is left to be determined between Government and the Comptroller & Auditor-General departmentally.

out by Speaker Mavalankar, and to make its observations from the taxpayer's and consumer's point of view.

The Audit Reports, together with the connected Appropriation Accounts, are so voluminous that it is impossible for a layman to have an idea of all the facts and figures contained in the documents in a reasonably short time. In order to assist the Members of the Public Accounts Committee, a key of the Audit Report and the connected Appropriation Accounts and other papers (which used to be prepared by the Comptroller Auditor-General until recently) is now prepared by the Secretariat of the Committee and copies thereof circulated to the Members in advance.

In paragraph 24 of the historical memorandum attached to the 1916 U.K. Committee's Second Report, it is stated that :

"The Public Accounts Committee have never considered that the Comptroller & Auditor-General is limited in his Reports merely to those points which he is bound to bring to the notice of Parliament. The Committee of 1888 stated that while it is no doubt difficult in all cases to draw a distinction between questions bearing directly on audit matters and those which may trench on administrative functions, yet at the same time, if in the course of his audit the Comptroller & Auditor-General becomes aware of facts which appear to him to indicate an improper expenditure or waste of public money, it is his duty to call the attention of Parliament to them. The Select Committee of 1902 on National Expenditure recommended the Public Accounts Committee, even more than in the past, to encourage the Comptroller & Auditor-General to scrutinise and criticise improper or wasteful expenditure."

The Comptroller & Auditor-General in India has construed his powers in a similar manner and he has in fact sometimes raised larger questions involving wiser spending and reforms in procedure, organization, change of rules, etc.²⁰

²⁰ Examples of such matters are :

(1) The Comptroller & Auditor-General suggested that for better organization and to secure efficiency it was worthwhile to introduce the administrative audit system by the departments concerned even if it entailed a little extra expenditure. [Para 21(i) (3) of Audit Report (Civil), 1950.]

(2) Government is not competent to regulate air travel for Ministers under executive orders. [Para 22(c) of Audit Report (Civil), 1950.]

(3) It was improper to grant to Judges any emolument not provided by law. [Para 24(p) of Audit Report (Civil), 1950.]

(4) Procedure with regard to placing of contracts should be changed. [Para 54 of Audit Report (Defence), 1950.]

In the U.K., accounts other than Appropriation Accounts audited by the Comptroller and Auditor-General are presented to Parliament as White Papers while in India they are laid on the Table of the House like any other documents.

In the U.K., the Comptroller & Auditor-General is not responsible for auditing of accounts of public corporations and therefore he has no access to the relevant books and makes no report on their accounts.²¹ His advice to the Committee on these accounts is therefore necessarily restricted and often the Committee have to depend upon themselves for the examination of such accounts. In India too, the Comptroller & Auditor-General is precluded from auditing the accounts of some of the corporations or statutory bodies and the Committee of Public Accounts have to proceed on the basis of the audit reports submitted by the commercial auditors whom the statutory corporations may have appointed as their auditors.

In the U.K., each year a number of accounts are considered without witnesses being summoned to answer for them. It is the ideal that the programme should be arranged so that, over a period of years, the Committee should have the opportunity to examine the accounting officer for every account, but the accounts are now so numerous that a greater degree of selection is exercised. Unless the Comptroller & Auditor-General makes some comments on the accounts in his reports, not even the accounts of some of the major departments are examined every year with a witness present.

(5) The Comptroller & Auditor-General should have the right to audit expenditure of the State-sponsored concerns, by whatever name they were called. (Comptroller & Auditor-General's statement at Appendix I, 3rd Report, First Lok Sabha).

(6) Suggestions made regarding scrutiny of Budget Estimates and revision of financial control in the various Ministries. [Appendix to Audit Report (Civil), 1955, Pt. I.]

²¹In the U.K., Nationalised Industries, till the enactment of the Finance Act, 1956 (Section 42), were required primarily to raise the necessary capital in the market usually by issue of debentures and were responsible for servicing them. The Treasury had only to guarantee the payment of interest and the redemption of debentures. Under the Finance Act, 1956, the borrowing powers of the Nationalised Industries (other than National Coal Board) have been curtailed and they are expected to take advances from the Ministers concerned to the extent they had powers to borrow by the issue of Stock, and the Treasury in turn is expected to issue to those Ministers out of Consolidated Fund such sums as are necessary to enable them to make requisite advances. In India, on the other hand, Public Undertakings are financed largely, if not entirely by the direct investment of public funds from Consolidated Fund of India.

A provisional programme usually prepared by the Comptroller and Auditor-General in the light of his knowledge as to what is likely to be contained in the report on his accounts is submitted by him to the Chairman of the Committee. The Chairman finalises the programme after taking into account his own ideas and also the current interest of the Members. Accounts which were taken without a witness in the previous session and which it is now proposed to take with one or *vice versa* are underlined. Any new accounts which have not been taken before are typed in capitals.

In India, the programme is prepared by the Secretariat of the Committee after the Audit Reports and Accounts have been presented to the House. The provisional programme after approval by the Chairman, is circulated to the Members and the concerned Ministries. All accounts with the exception of those few which relate to minor departments are usually examined by the Committee each year. Thus all Heads of Departments have to appear before the Committee every year.

In the U.K., before the commencement of each meeting of the Public Accounts Committee, a conference is held in the room of the Chairman of the Committee. At this conference, the Chairman, the Comptroller & Auditor-General and the Clerk of the Committee are present. The conference discusses the important points which should be raised with the witnesses regarding examination of particular accounts. This is always a confidential meeting and no records are kept nor circulated to any one. This meeting gives the background to the Chairman in the light of which the witnesses are examined. Other Members have no such knowledge and therefore most of the examination of the witnesses is done by the Chairman and most Members appear "rather in the role of a juror who will come later to some conclusion on the matters at issue."

In India, the Comptroller & Auditor-General prepares a list of important points arising out of the accounts and his comments thereon and this list which is marked 'confidential', is circulated to the Chairman and the other Members of the Committee. The Secretariat of the Committee, under the direction of the Chairman, prepares a further list and it is also circulated to the Members of the Committee. The latter list supplements the list prepared by the Comptroller & Auditor-General. Thus the examination of the witnesses is conducted by the Chairman and Members alike and Members feel the satisfaction of having participated to the full in the discussions.²²

²² Quite recently the Public Accounts Committee has adopted a procedure of dividing itself into working groups. Each such group is entrusted a particular subject. The members of the group study the papers on the subject

In the U.K., the Comptroller & Auditor-General attends the meetings as a witness when evidence is being taken by the Committee. He does not sit next to the Chairman; but sits at the other end of the table opposite to the Treasury officials and intervenes in the discussion only when the Chairman asks him to clarify a point or some information is required from him. He does not put any question to the witnesses nor makes any comments or observations on the evidence given by a witness.

In India, on the other hand, the Comptroller & Auditor-General sits on the right hand side of the Chairman. He continuously holds consultation with the Chairman as the evidence is proceeding and very frequently asks questions from the departmental witnesses and also makes comments and observations in the course of such evidence. The Comptroller & Auditor-General is accompanied by his officers²³ who also sit along with him or behind him and continuously assist him with papers, information etc.

In the U.K., no formal procedure has been laid down governing the participation of the Comptroller & Auditor-General in the drafting of the Committee's report. The Committee are however free to call upon the Comptroller & Auditor-General and to make use of his help in any way they think proper.

In India, when a draft report is prepared by the Secretariat of the Committee under the direction of the Chairman, it is sent to the Comptroller & Auditor-General in advance for factual verification and when the report is considered by the Committee, the Comptroller

and hold preliminary meetings among themselves to discuss points of importance on which questions might be put to the witnesses. At such meetings the Comptroller & Auditor-General or his officers are also present to assist the members.

²³ Para 19 of the Audit and Accounts Order 1936 as adapted reads as follows :

"19. Anything which under this Order is directed to be done by the Comptroller & Auditor-General may be done by an officer of his Department authorised by him, either generally or specially;

Provided that except during the absence of the Comptroller & Auditor-General on leave or otherwise, an officer shall not be authorised to submit on his behalf any report which the Comptroller & Auditor-General is required by the Constitution to submit to the President or the Governor."

Accordingly the Comptroller & Auditor-General has appointed several Accountants-General and Directors of Audit as his principal audit officers who act on his behalf and this explains the reason for their presence at the meetings of the Public Accounts Committee. In fact, the audit reports are signed by the Accountant-General or Director of Audit concerned and counter-signed by the Comptroller & Auditor-General.

& Auditor-General is always present to assist the Committee. His presence is recorded in the proceedings of the Committee. The Comptroller & Auditor-General is, as usual, accompanied by his officers on such occasions also.

In India, the minutes of the Public Accounts Committee are drafted by the Secretariat of the Committee and after approval by the Chairman are circulated to Members. The minutes form part of the Report of the Committee and supplement the recommendations contained in the main Report. The documents supplied to the Committee are also appended to the Report of the Committee; but the evidence given orally is not printed²⁴ nor laid on the Table of the House. The minutes are therefore of a detailed character and embody a good summary of the discussions without mentioning actual questions and answers or the names of members or the witnesses. In the U.K., on the other hand, the minutes are very brief and do not purport to summarise the evidence given before the Committee. The evidence is printed verbatim and presented to the House along with the Report. Neither in India, nor in the U.K., the Comptroller & Auditor-General is concerned with the drafting of the minutes of the Committee.

In the U.K., it is customary on the retirement of the Comptroller & Auditor-General and on the appointment of his successor to include a special paragraph in the Committee's final report. In India, the Committee includes a paragraph in each of its reports every year expressing its thanks to the Comptroller & Auditor-General for the valuable assistance rendered by him in the deliberations of the Committee.

In the U.K., periodically an epitome of the reports of the Public Accounts Committee is brought up-to-date by the Comptroller & Auditor-General. It is customary for the Chairman of the Public Accounts Committee to move in the House for a return containing the epitome of the reports from the Committee and of the Treasury minutes thereon with appendix and index. Before doing so, the Chairman writes to the Financial Secretary to the Treasury asking him to inform the Speaker that he has no objection to the motion. In India, a

²⁴ Before the Second World War the evidence used to be printed. It was stopped during the war as an economy measure. Since then except on one occasion (1952-53) the evidence has not been printed nor laid on the Table. The Committee has examined this matter from time to time; but have not yet made up their mind to make it public. Apart from printing difficulties, which have now eased, the main consideration for keeping the evidence confidential is the creation of a psychological atmosphere in the mind of a witness to say freely and frankly what he feels about a certain matter placed before him.

similar epitome is brought out by the Comptroller & Auditor-General. This epitome is kept in the Library of the Public Accounts Committee and is not laid on the Table of the House.

In India, six copies of all papers circulated to the Members of the Committee are usually forwarded to the Comptroller & Auditor-General and the Accountants-General or Director of Audit concerned. Any fresh note or memorandum which the Committee desire is invariably sent by the witness through the Office of the Comptroller & Auditor-General, who check the facts contained in the memorandum from the audit point of view before it is submitted to the Committee. The idea is that the facts should be settled between the administrative department and the Audit Department before they are placed before the Committee. Copies of the final memoranda which are circulated to the Members of the Committee are also sent to the Comptroller & Auditor-General. The Chairman and the Committee have often commented²⁵ on this and also criticised the delays in submitting written material. Often the Committee has had to delay its report for this reason.

IV

In the U.K., Supply is granted by the terms of the resolution of the House to "Her Majesty". Ways and Means are granted by the Appropriation Act in the form of an authority to the Treasury to make the necessary issue from the Consolidated Fund. Before the grants become available to the various departments, a Royal Order "is issued by which the Sovereign authorises the Treasury to issue the necessary money to the persons charged with the payment of services", the order being limited to the amount of Supply actually granted by Parliament at the time of its issue. The Royal Order quotes the amount granted in each Supply resolution and the date on which it was agreed

²⁵ See introduction to 3rd and 4th Reports of the Public Accounts Committee (Second Lok Sabha).

It may be stated in this connection that in order to understand this difference in procedure the position in the U.K. is that as far as possible complete information is given to the Public Accounts Committee by the departmental witnesses in oral evidence and there is seldom any occasion for them to submit any notes in writing. The departmental representatives generally attend the meetings of the Public Accounts Committee by themselves (and with one or two Assistants if necessary) and carry important and relevant papers only. In India, on the other hand, the departmental representatives, despite the fact that they attend the meetings with a larger retinue of staff, who carry voluminous records with them, do often ask for time to explain their position in writing by submitting notes later on.

to by the House of Commons on report. But before it can draw the money from the Consolidated Fund to make the issues to the various Departments, the Treasury must receive from the Comptroller & Auditor-General credits on the Exchequer Accounts at the Bank of England.

The Treasury therefore send to the Comptroller & Auditor-General a demand every afternoon for the issue of such sums as are needed to finance the many activities of the Government. The Comptroller & Auditor-General examines these demands and if he is satisfied that they are in accordance with parliamentary authority issues credit notes authorising the Banks of England and Ireland to issue the money. The procedure today is exactly the same as that laid down by Parliament over 90 years ago²⁶.

In India, by the provisions of an Appropriation Act, the money is granted to the President. After the relevant Appropriation Act comes into force, the Ministry of Finance communicate to the administrative departments (and the Accountants-General concerned) in the shape of a lump sum as primary units of appropriation the sum granted under the Appropriation Act to that Department to defray its expenses on Services and Supplies during the course of the year. The administrative departments then make arrangements for distributing the sanctioned funds where necessary, among the controlling and disbursing authorities subordinate to them. The Accountant-General is required to render such assistance in the distribution of grants as may be settled in each case²⁷. No procedure²⁸ has yet been devised whereby, as in the U.K., the Comptroller & Auditor-General in India has been vested with control over the issues from the Consolidated Fund. The responsibility for drawing the money from the Reserve Bank which maintains the Consolidated Fund on behalf of the Government of India and for watching the progress of expenditure is laid down on the authority administering a grant and for keeping the expenditure within the grant. When the Appropriation accounts are drawn up at the end of the year, then only the Comptroller & Auditor-General is in a position to know whether any authority has exceeded the grant, or whether the Government as a whole have drawn in excess of the sum specified in the Appropriation Act from the Consolidated Fund of India.

²⁶ Sections 14 and 15 of the Exchequer & Audit Departments Act, 1866.

²⁷ General Financial Rules, Vol. I, Chapter V.

²⁸ On the coming into force of the Constitution in 1950, the designation of the Auditor-General was changed to Comptroller and Auditor-General as it was intended that, as in the U.K., he should also be responsible for control over exchequer issues.

THE REFORM OF ADMINISTRATIVE PROCEDURES*

Arthur J. Naftalin

THE success of a government depends considerably upon the quality of the persons engaged in its administration. Personnel, however, is by no means the only factor in successful management. Effective procedures and an efficient organizational structure are also essential. Even the best personnel system cannot overcome basic procedural or structural deficiencies that disturb or obstruct the flow of administration. There is obviously a close relationship between personnel management and administrative procedures, just as there is between both of these areas and the problems of organizational reform. In fact, all these three ingredients of an effective system of administration—personnel, procedures and organization—are closely interrelated and each of them cannot, in my view, be effectively studied in isolation from the others.

In considering the problems of procedural improvement—the second factor, it is proposed to deal here primarily with trends and experience in American public administration. Administration everywhere shares many common qualities and it can safely be assumed that the experience of administrators in one country has meaning for others who are engaged in essentially the same activity. Much is to be gained by the exchange of ideas and experiences across national boundaries.

SOME QUESTIONS AND CRITERIA

In the area of procedures, some of the main problems the administrator faces to-day are :

- (1) How does a government achieve internal and external security and stability and still avoid bureaucratic excesses?
- (2) How can a government ensure equal and fair administration in accordance with fixed routines and, at the same time, remain flexible and responsive in meeting individual situations?
- (3) How can a government keep its operations continuously alive and moving, avoiding inertia and indecision that result from procedures and methods that are too rigid?

* Based on a lecture delivered at the National Institute of Administration, Saigon, on January 13, 1958, and published by their courtesy.

(4) How can the tendency to "bottleneck" decision-making at the top levels of administration be resisted and greater delegation of authority achieved?

(5) How can a government develop an effective division of labour among its employees and, at the same time, successfully coordinate all operations?

(6) How can a government ensure continuous four-way communication, from the top down and from the bottom up within the administrative organization and outward and inward with the public that it serves?

(7) And, finally, how can all of these elements be efficiently coordinated into an effective functioning unity?

These are, of course, difficult questions to which there are no easy answers. They are examined here only in general terms, because there are a great variety of approaches and each administrator, in seeking meaningful solutions, must fashion answers that fit particular needs and special circumstances. There are, however, certain common criteria that define the essential requirements of any effective administrative system.

The *first* of these is *simplicity* and *clarity*. In the United States, as elsewhere, administrators are engaged in a continuous struggle to keep rules and regulations and methods and procedures in their simplest possible form. It is often easier, in meeting a new need, to add a new operation than to eliminate or modify an old one. As the years pass an administration may find itself encumbered with procedures and regulations that no longer serve the purpose for which they were originally intended. The need for the sixth copy of a form may have ended years ago (if, in fact, it was ever needed) but the requirement remains unchanged. A particular certification may no longer serve any purpose, yet it will still be required. Such practices clutter up the administrative process, slowing down the flow of activity and consuming valuable time and materials.

If administration in the United States is a fair example, all governments could benefit greatly from continuous revision of its procedures. In the Minnesota Self-Survey project*, hundreds of instances came to notice where state law or traditional practice had imposed expensive and complicated administrative routine that were

* This project required that all officials and all employees make a complete and systematic review of their own work in order to determine the points of strength and weakness in their operations. Administrators, employees and technicians, with the assistance of legislators, were asked to examine with complete honesty and objectivity their own administrative programmes and to make appropriate suggestions for improvement.

serving little or no purpose. It was found that many administrative forms were unnecessarily complicated and confusing; many operations involved a variety of certifications and approvals that far exceeded the requirements of a sound system of internal audit or control; thousands of valuable man-hours were being consumed in the gathering of statistical and other data that had been serving no purpose for many years; and hundreds of rules and regulations were in force which might once have served a purpose but which were no longer of any value. In the field of finance, there existed more than 200 separate funds for accounting purposes when 10 or 12 would have been sufficient. The State was paying its employees on 118 separate payrolls, and, with further study, it became clear that the number could be reduced to five and, eventually, to one single, comprehensive system. As the result of this Self-Survey and the reform activity that grew out of it, substantial progress was made in clarifying and simplifying procedures.

The indignant and complaining taxpayer is a familiar figure the world over. In the United States it is something like a national pastime to complain about the cost of government and to criticize the bureaucracy for its tendency to move at its own slow pace in providing service. We all know that the taxpayer at times can be very unreasonable. Yet, when we reflect upon how unnecessarily cumbersome and confusing many governmental procedures have become in the United States, we wonder if the citizens we serve are not too passive and too uncomplaining. The prod of the complaining citizen is a wholesome influence on administration, and one sometimes feels that governments would be better served if more citizens were to demand full explanations for the continuance of procedures that have no apparent justification.

Administration must be constantly re-examined to be effective and such re-examination requires a strong act of will on the part of administrators. It is far easier to repeat the routines that were in operation yesterday, letting rules and regulations, and forms and methods grow and multiply in response to immediate and pressing needs, than it is to re-examine and re-evaluate one's operations, asking oneself simple, honest, and basic questions such as: "Is this procedure really necessary?" "Is this certification necessary?" "Is there a quicker way to accomplish this task?" "Why do we need so many copies of this form?" "Do we need to maintain this particular file?" The questions are infinite. It is, of course, this more difficult course of continuous re-examination that must be pursued if administration is to be fully successful.

Administration is basically nothing more nor less than common-sense, and common-sense begins with *simplicity* and *clarity*. These must be the cornerstone of any effective procedural system.

A *second* criterion for effective procedures is *flexibility*. Administration must not only be clear and simple, it must also be responsive to needed changes. Again, judging by our experience in the United States, bureaucracy's major evils are its unwillingness to shed outworn regulations and procedures and its inability to adjust to **new** situations or to allow for necessary deviations from fixed requirements. The successful system adapts to new needs and new circumstances and meets special situations rationally and efficiently. The unsuccessful system is one in which the procedures are so rigid that they limit and obstruct the administrative flow. Some governmental agencies have procedures that are so inflexible and so precise that administration has become as ceremonial as a religious observance. When this happens, the procedures have become the *ends* of administration rather than the *means*, and the entire process becomes stultified.

Achieving flexibility, adaptability and adjustment is a never-ending struggle. It requires constant re-evaluation of all administrative operations and a continuous restatement of the aims and purposes sought by the government so that all procedures can be sensibly related to their proper objectives.

A *third* criterion of sound procedures is *definiteness* and *uniformity*. Similar operations in different agencies should be directed and controlled in similar fashion. The public that is served comes to know government's procedures, and, if they are *definite* and *uniform* from one agency to another, the flow of administrative activity will be expedited. The abuse of this principle reaches absurd limits in some governments. Different administrative agencies in the same government, for example, will sometimes maintain different hourly schedules. Sometimes employees in different agencies have different rights and privileges. Often agencies performing similar operations will use different forms that seek the same information.

There is apparently some contradiction between, on the one hand, the need for uniformity and definiteness in administration, and, on the other hand, the need for flexibility that permits the exercise of individual discretion. But the two must be reconciled for effective administration. This is another point at which the art and the science of administration must be joined. A successful system strikes a balance between basic formality, in which all procedures are set forth with simplicity, clarity and definiteness, and with internal freedom and flexibility that allow for individual judgment, discretion and originality.

THE IMPORTANCE OF ADMINISTRATIVE PLANNING

Procedural improvement in administration, as noted earlier, is aimed at achieving internal and external stability, at ensuring flexibility and responsiveness, at overcoming inertia, at smashing bottlenecks, at developing an appropriate division of labour and an effective co-ordination, and at achieving continuous communication in all directions. To realize these objectives requires endless and intensive planning, analysis and programming. The more complex administration becomes, the greater the need for these internal administrative functions. Thus, modern government is turning more and more to systematic and continuous administrative planning.

In the United States today there is increasing emphasis on the function of management research and analysis. There is a growing awareness that the internal problems of administration require the expert attention of persons specially trained for this function. As a result, there has emerged in the United States a new group of professional and technical experts who devote their time to the problems of administrative management. Not only are there general experts trained in the larger problems of organization and methods, there are specialists among the specialists, some specifically trained in the application of machine methods, others in forms control and records management, others in physical plant utilization, others in work measurement. Many governmental jurisdictions in the United States now have well-defined units devoted to the analysis and study of the administrative operation itself. Such units have a variety of names, such as "planning and research," "systems and procedures," or "organization and methods" (O & M). While they perform a variety of analytical or planning functions, they share in common the pursuit of improved administrative operations.

The recognition of the importance of administrative planning has not come about without a struggle of its own. Legislators and even top executives often must be persuaded that special funds should be made available for this purpose. In paring operating budgets it is always tempting to remove items labelled "research" or "planning" or "analysis" on the grounds that they are of long-term concern and can be postponed until the presumably more pressing short-term demands are met. The foolhardiness of this policy has been demonstrated again and again. For lack of a carefully devised administrative plan that could have been developed with a small appropriation, inefficient operations are continued month after month and year after year at a cost many times the amount that would have been needed for proper planning.

The new almost overwhelming, emphasis on the study of systems and procedures and on research into organization and methods is due in large measure to the almost fantastic progress that is being made in the manufacture and use of high-speed business machines. The new machines can perform in seconds hundreds of operations that previously required minutes and even hours. As a result they have opened up extraordinary new opportunities for efficiency and economy. This has compelled administrators to re-examine their entire operations not only particular procedures but their complete organizational framework. They are finding it necessary, if the machines are to be used efficiently, to re-educate and retrain large numbers of employees who can programme the work for the machines and who can operate and service them.

The interest in high-speed equipment is so widespread and the consequences of their general use are so far-reaching that many observers believe we are at the beginning of a revolutionary new era in administration. It is certainly apparent that the current study of public administration in the United States is largely the study of the impact of the new machines on large-scale organization and administration. Needless to say, for the moment at least, the machines are creating more problems in overall administration than they are solving, and there are certain to be many years of experimentation and adjustment before the new machines will have been fully mastered. Ironically, the very speed of change within the business-machine industry is itself a serious problem in administrative planning. A new electronic device has no sooner been placed on the market but what it has been made obsolete by the appearance of another machine of even greater speed or volume. All of this of course supports the need for the most careful and intensive research and analysis into all aspects of administration.

In the State of Minnesota, an extensive programme of installing computing equipment has been undertaken. Its highway department, for example, is now using an electronic computer for routine calculations that previously required thousands of expensive hours of time from our high-salaried force of engineers. This year for the first time they will have under machine operation the entire system of motor vehicle registration, involving nearly 2,000,000 automobiles, buses and trucks. In fact, the people of Minnesota pride themselves on the very substantial progress they are making in this crucial area of administration. However, they have learnt that they cannot make efficient use of the new machines until they have first completed an exhaustive analysis of all operations affected by the new installation. They have found that they must know everything they possibly can about all the related

procedures, about the volume of the work involved, about the nature of particular operations to be machine-performed, about the skills and abilities of employees who will be expected to operate the machines, about the kind and amount of retraining that will be required, about the employees who will be displaced by the machines and the new opportunities that can be created for their re-employment, and about the physical space and electrical power that will be required. They have found it not only desirable, but essential, to delay further machine installations until they could complete a study that would gather such basic information. The study in itself is a formidable undertaking. It required enabling legislation and a special appropriation by the 1957 legislative session. As a result they now have under way what they call an Electronic Data Processing Feasibility Study. This is the first study to be undertaken by any of the 48 state governments in the United States. As the study proceeds they become more and more convinced of the necessity for further analysis and planning if they are to continue to improve their administrative operations.

The experience of the United States shows that there are no tricks or shortcuts to good administration. It can be achieved only if we know what our problems are and which of the various alternative methods will be the most effective for our purposes. Such insight and understanding cannot be acquired without systematic and continuous study by officials and employees specifically trained for that purpose.

ADMINISTRATION AS A PROCESS

Public administration obviously involves many complicated relationships. There are relationships between the top administrators and the descending levels of their subordinates. There are relationships between the government and the citizens it serves. There are very sensitive relationships between the personnel and the factors that affect their performance. The number and types of relationships within administration could be listed without end. Yet, despite its enormously complex character, administration remains essentially rational and systematic activity. Individual procedures relate to a larger complex of operations and the entire activity is governed by a single, inter-related set of objectives. Sometimes this fact is lost sight of by administrators who are caught up in their own limited operations; they often see administration as a series of separate and independent acts instead of as a continuous and integrated process.

Any effort at the improvement of an administrative procedure or group of procedures must be based upon a clear understanding of how such modifications will affect the larger system. It is essential,

therefore, that administrators see their activity, however limited or specific it may be, as part of a continuous flow of activity. Each individual operation must be seen as part of a network of relationships; a slowdown or speedup in one sector will affect other sectors : a new machine operation at one point may break one bottleneck but create new ones. It is not always easy to see the larger aspects of the process; an administrator inevitably becomes preoccupied with the needs of his particular agency and he may become so intent upon fulfilling his immediate assignment that he may avoid any involvement in the activities or affairs of other agencies. This leads in the end to a segmented or fragmented government in which separate agencies are not part of an integrated process but virtually competing operations.

Thus it happens that in some governments individual procedures are treated as isolated operations, as a segmented series of administrative events. A moment's reflection tells us that this almost never should be the case. Take, for example, the matter of a government's payroll. At first glance the payroll appears to be nothing more than a specific instrument of getting the pay-check to the employee. Yet the payroll is a central feature of the accounting system and is closely related to budgeting methods and improved planning. A well-planned payroll system will provide data for improving the personnel system and it will help strengthen the system of accounting and internal audit. Similarly the budget system is often regarded as simply the preparation of a document that contains basic financial data. But, again, a well-planned budget system will be an invaluable instrument for the intelligent allocation of the government's resources, for the systematic control of its expenditures, and for the comparative analysis of the needs and operations of different agencies, and will serve as a central means for developing basic and long-term programmes for measuring the effectiveness of particular methods and particular programmes. The procurement system likewise is not exclusively the obtaining of materials and supplies. If properly planned, it will assist in the controlling, measuring, and strengthening of all administrative activity.

All of this is by way of supporting the central point that administration is one continuous interrelated process. It is a process that has flow and movement. Policy decision and administrative acts move up and down from the top levels of management to the many other components of the organization. The administrative process is, in many respects, like a living organism that has separate but related functioning parts. The directing or policy-making level in government bears to the subordinate levels of personnel and machines the same relationship that the mind in the human body bears to its arms and legs; central financial and accounting agencies are not unlike a blood-

stream or circulatory system. The analogy could be expanded at great length. But this is perhaps sufficient to suggest that successful procedures do not operate in isolated context. They all combine to form one system serving one ultimate objective, namely, the purposes for which the government has been established.

The healthy organism has vitality and agency. Its mind or directing agency has clarity of purpose and effective means for communicating the nature of that purpose to all its separate but interrelated parts. Thus a healthy government will have a top management that clearly understands the purposes that the government seeks to serve and it will achieve uninterrupted communication, from the top, where politics are made, to the bottom, where they are executed, and, again, from the bottom up. Its operating members—the supervisors, the clerks, the inspectors, the accountants—will have clear directives upon which to act and effective tools with which to work. The pathways of activity will be clear and coordinated, just as are the nervous system, the circulatory system, and the respiratory system in the human body.

ADMINISTRATIVE LEADERSHIP

The above analogy has been drawn at some length because improvement in administrative procedures requires a special kind of governmental leadership. The first need for any government is to define its purposes with clarity and in a fashion that all who are engaged in the process will have an understanding of the goals and objectives that are being sought. This burden falls heaviest, of course, upon the top levels of administration. The success of any organization is dependent upon its leadership; if there is at the top levels vitality, force, direction, clarity, and a willingness to make administration a co-operative operation, such spirit will permeate the entire organization. It is a leadership that succeeds in infusing the organization with an understanding of its purposes and in extracting from those who make up the organization not only dedicated service but also the application of their creative abilities. It is a leadership that fully senses its close connection with the other operating parts just as in the human organism mental health and physical health require clarity of mind and soundness of body, and, as modern science shows, the two are inescapably dependent upon each other.

If the leaders exercise imagination and originality, and if they encourage their subordinates to participate openly and freely in the decision-making process, the organization will soon be alive with excitement and purpose. When such spirit is present one need never doubt that the organization will grow and that it will fashion for itself methods and procedures that are adequate for its purposes.

PUBLIC ADMINISTRATION UNDER U.N. TECHNICAL ASSISTANCE PROGRAMME

R. K. Basu

THE idea of assistance in public administration is as old as the technical assistance programme itself. A decade ago when the General Assembly in its third session first approved the programme of technical assistance under the "regular programme," by resolution 246(II), it endorsed the setting up of an International Centre for Training in Public Administration. Although this idea never materialized some of the member-governments, especially from the underdeveloped countries, were seriously concerned that United Nations do something to raise the knowledge and techniques of administration by training people under an international scheme. There was unanimity among all concerned that aid in public administration should be given highest priority in the pursuit of economic and social progress. In 1950 when the "Expanded Programme" was created, public administration was included among the fields for technical assistance.

IMPROVEMENT IN ADMINISTRATION

In the first proposal which envisaged the creation of an International Centre for Training in Public Administration, Brazil, sponsor of the proposal, had in mind a place where men and women could be trained for international work as well as for better administrative training, more international in character, which was normally not provided in any one country.

In accordance with the wishes of the General Assembly the Secretary-General prepared a report* examining the respective merits of the Brazilian proposal. In that report it has pointed out that if the Training Centre was set up it could be developed along the following lines : (a) an International Administrative Staff College to train outstanding senior civil servants for a period of three to four months each year; (b) An International School of Public Administration to train promising young civil servants or potential civil servants during a period of eight months of study to be followed by three or four months of internship in an appropriate national or international agency; (c) Experts to be made available to give technical assistance upon request, to any government which desired to establish or improve national

* A/C. 5/232

institutions for training in public administration; (d) Facilities for the exchange of civil servants between countries for periods of study and observation outside of the programmes administered by the Centre itself.

In the debates of the fifth committee several delegates argued that the proposed International Centre was urgent and justified. Bilateral programmes or exchange of individual experts would serve only the limited purpose of promoting improvement in public administration. A centre of this nature, however, would provide uniformity in public administration. Pakistan, for example, proposed that the Centre should be set up along international lines, should have an "international point of view" and should meet international needs. Any consideration to take a specific system of administration as a model for the underdeveloped countries was considered dangerous, not even that of the host country in which the centre was to have been set up. Another argument in favour of the "Centre" was that it would familiarize senior civil servants with techniques of organization and management and administrative procedures developed in recent years in the economically advanced countries. Chile was quite frank in suggesting that United Nations should develop a "philosophy" of public administration as would permit it to embark upon an ambitious programme. Venezuela agreed that an International Centre was to achieve a synthesis of various rules applied by public and private institutions in different countries. Others felt that even if there was no International Training Centre set up it should be possible to provide individual assistance to countries requesting them and making training facilities available by those who possess them to the students from underdeveloped countries.

It is quite clear from the debates that followed in the fifth committee, the Economic and Social Council and the General Assembly, that whether there was to be an International Training Centre for Public Administration or not, there was a need for a uniform system of administration with an international point of view. No one disagreed that this need was urgent and aid must be extended without delay.

Although the General Assembly at its third session approved the setting up of an International Centre for Training in Public Administration and the following year upon the recommendation of the Secretary-General approved that this activity should be amalgamated with the technical assistance programme, this institute never came into being. There were various compromise resolutions and it was finally resolved that training centres should be set up at the national and regional levels at the request of governments. The three General Assembly resolutions 246 (III), 723 (VIII), 1024 (XI), represent the views and importance given to activities in public administration.

In all these, not only the wishes of the governments are expressed in terms of increased activity but, also, an indication of the manner in which the countries expect the International Organization to assist them in public administration. The requests for assistance have increased each year and the approval of funds has also been increased. In 1950 the Economic and Social Council approved the inclusion of public administration among the fields in respect of which aid might be provided under the Expanded Programme of Technical Assistance. In 1950 a separate authorization was received from the General Assembly for \$145,000 to be spent every year on public administration from the regular budget of the United Nations. In 1956 this contribution was increased to \$300,000 in order to increase the "substantive activities" of the Secretariat in this field. A proposal of the Secretary-General submitted to and adopted by the thirteenth session of the General Assembly provides for an amount of \$20,000 in the regular budget of the United Nations to supplement existing technical assistance programmes in public administration by securing, at the request of governments, the temporary services of well-qualified persons who would perform duties of an "executive" or operational character. Such an "international administrative service" will be provided "on a modest scale and on an experimental basis."

While it may be true in principle that technical assistance can only be provided at the request of a government and in the manner in which it wishes it, perhaps there is need for a different approach for programme planning and implementation as far as public administration programme is concerned. Here the governments have expressed a specific hope that the United Nations would show them how best to improve their administrative systems and advise them on the type of assistance they need through joint consultation. Public administration is a new field even in the Western world and it is much more so for the underdeveloped countries. Therefore to look at it strictly from an operational point of view would be to deprive the recipient countries of the experience, knowledge and advice in sound planning. The United Nations is only looking for opportunity to be of help in the most direct way. It realizes that in order to develop a sound programme for the improvement of administrative systems it must carefully examine all factors that tend to better administration, examine the resources available, determine priority needs and finally make a realistic appraisal of the rate at which progress could be achieved. To fulfil this task it must have freedom and scope in the work and it must enjoy the confidence of the recipient country.

At times it is difficult to understand whether there is sufficient coordination between policies expressed by the governments in func-

tional activities in relation to overall policies of technical assistance. It would be helpful if governments were to announce that they recognize that consultation prior to a programme formulation is extremely important. All resources should be used in the interim period of negotiation so that full discussion takes place between the United Nations representatives and the government officials directly concerned with the functional responsibility.

The programmes in public administration are worked out mainly by the governments. Each year they are advised by the United Nations of the funds available for each country under technical assistance. Priorities are then set up by the governments as to what proportion of the allocated funds should be used for Economic Development, Social Development and Public Administration. In submitting "Country Programmes" each country indicates to the United Nations specific fields in which assistance is needed. This ranges from requests for a single expert in any area of administration to a team of experts for Training Centres or in-service training programmes, and fellowships abroad. As a matter of policy United Nations does not refuse to provide assistance in any field as long as the request is within the jurisdiction of the United Nations and acceptable as a project for economic and social development of the country. Strictest interpretation of the concept of "country programming" can mean that governments know what is good for them and as long as the request is within the defined rules of technical assistance United Nations should provide the assistance. It is recognized that in any programme planning countries themselves should have the final say, but this should in no way deter the consultative process which is part of sound planning. It is just as important to associate the experts and those who are working for development on a worldwide basis in the early stages of country planning, as it is for them to work towards implementation of a scheme. Proper planning is half the achievement of the programme. Improper evaluation, priority or planning is nothing short of waste.

THE PRESENT EFFORT

In 1951 the Public Administration Division finally became a recognized component part of the Technical Assistance Administration. In accordance with the General Assembly decision of 1953 the new terms of reference for the work in Public Administration included the following points : (a) Advisory services; (b) Fellowships and scholarships; (c) Conferences and seminars; (d) Provision of technical publications; (e) Training institutes. It is evident from the opinions expressed by underdeveloped countries that any improvement in public administration would have to be adapted to the needs of each

country, and what could be a better way of doing it than for the United Nations to develop that body of knowledge in public administration which could be used according to a particular situation.

A careful examination of United Nations activities in public administration is desirable in three areas. Firstly, what the member-governments want the United Nations to do in order to help improve the administrative standard in the underdeveloped countries as a whole, and in a specific country in particular. Secondly, to take stock of the achievements thus far of the United Nations in this endeavour, if possible analysing what has governed the course of action it had taken and the improvements it has made in the underdeveloped countries, individually or collectively. Thirdly, on the basis of experience gained so far if it could suggest that methods and approaches be modified. Thus if the United Nations were not considered only an instrument for providing aid without proper substantive guidance, even better results and increased activity could be expected.

In examining first what Technical Assistance Administration of the United Nations has done so far in different areas it may be pointed out that the Public Administration Division has assisted in providing experts, giving fellowships, setting up training institutes, organizing seminars, workshops and conferences and developing research programmes. Between 1950-1957, 357 experts were sent to underdeveloped countries recruited from developed as well as underdeveloped countries. For the same period 1,330 fellowships were awarded for studies abroad. National Training Centres have been set up in United Arab Republic, Libya, Ethiopia, Brazil, Turkey, with some students from other countries in the region, and Costa Rica, with participation from five Central American Countries. Also institutes were set up by the governments with United Nations' assistance in Israel, El Salvador, Nepal, Burma. Survey missions have visited in other countries to examine possibilities of setting up new institutes. In spite of its small staff the Division has been able to do a great deal. The assistance has involved substantive support to the experts in the field; screening, placement and supervision of study programmes for fellows; evaluation and advice on training programmes, research and documentation; analysis of experts' reports. In all these, the efforts had to be limited to the barest minimum as the available resources of the United Nations at the present time are rather small. The work of the Technical Assistance Administration has thus far been "servicing" the experts and fellows, catering to their administrative needs of all kinds, "back-stopping" their reports and other activities. This type of activity has been largely generated from the basic thought that Technical Assistance Programme is operational. The role of TAA is considered to be to

meet the wishes of the Governments in helping them in the area they desire United Nations assistance.

In the case of *experts* specific assistance in each of these areas by TAA has involved selection of the right man for the job, his orientation, preliminary advice regarding local conditions under which the expert would work, providing background information of the country, the programme past and present, documentation and material that would help him in his work. When he is in the field he is continuously assisted by advice from Headquarters on his recommendations, and the line of action he may or may not take in conformity with the rules of the International Organization. He is also constantly supplied with the information and documentation that may be needed. Liaison is also maintained between the expert and outside agencies mostly non-governmental to assist him in his work. The final recommendations are always submitted by the United Nations and not by the expert acting in his individual capacity. Therefore a most significant part of the substantive work is involved with his final report prepared for the government. For *fellowships*, careful screening is done by the professional staff with regard to the qualifications and the experience of the candidate, his suitability for training abroad, and the best place for such training. A specific training programme is arranged for each fellow, whether it is for formal studies in a university or observation and field studies in government departments and ministries under supervision of the host country. Headquarters also maintains a continuous supervision as the programme progresses. Upon completion of the award when the report is received of the acquired training very serious consideration is given to this initial evaluation and analysis of his work. If suggestions for improvement in his government work appear to be sound, all encouragement is given to him as well as to his government for the highest consideration of the fellow's recommendations.

Meetings on a regional basis, "workshop" seminars, and conferences have proved to be an extremely valuable method for the exchange of ideas. So far such meetings have been arranged for Budget Reclassification and Management in Asia and the Far East, Latin America; problems of Management of Public Enterprises also in Latin America and Asia and the Far East; meetings of expert body of Training Problems in Public Administration; meeting of experts on Personnel Procedures and Personnel seminar in Latin America. Valuable documentation and publications have appeared from these conferences which are of permanent value to all concerned with the development of public administration. In the area of *research* very little has as yet been accomplished, since the small staff of the Division

has to devote part of its attention to other activities which need prompt and immediate attention. Nevertheless some useful studies have been prepared in Headquarters which have proved invaluable to the under-developed countries. Some of these are : Standards and Techniques in Public Administration, International Bibliography in Public Administration, Administrative Problems involved in Community Development Programmes (in process of being printed), Training in Public Administration. Some of the experts' reports which have been made generally available have proved useful, such as the Preliminary Survey Mission reports. All these have been accomplished with very limited resources.

As for the success, it is for the recipient government to say whether it has been worthwhile. Even though it would take years for the countries to get the full impact of the help received, since the real change resulting from administrative efficiency takes a long time to show, judging from the ever increasing number of requests it is assumed that governments have been satisfied from whatever help United Nations has been able to give them in this field. From the experience gained in the last six years, it may be possible to examine whether the present approach is adequate or as a result of the advancement made by countries themselves, some changes in the basic philosophy and programme can be proposed.

AN INTERNATIONAL APPROACH

If any change is considered advantageous it can be in the area of programme planning and developing a concept of public administration with universal applicability. As said earlier, United Nations should have an opportunity in the early stages of programme planning for consultation with the appropriate officials of the government. This is the most crucial stage, as only then would it be possible to determine whether the selection of projects is most judicious and advantageous. The steps and methods of implementation also need to be discussed here at some length. United Nations Headquarters' staff and experts in the field should be used to the utmost. The screening process for this purpose should not be considered as defiance of national authority and prejudicial to local understanding. The United Nations has not only experience of the problems of the world as a whole but its staff are drawn from all areas of the world with a wide variety of background. Therefore it is in a position to see the problems of a country more clearly and recommend what has to be done to improve them.

To be more specific, the United Nations staff should be able to advise the government of the nature of assistance they should have

each year and discuss the precise responsibility of the government in making the project a success.

Is it possible for the United Nations to promote development with an international concept and can there be an international concept in public administration? In the Brazilian resolution one would find the suggestion that the training is needed in underdeveloped countries at an international level which cannot be found elsewhere. There is no one dogma or doctrine which can be exported to any area. Up to the present time any idea of developing a "philosophy" or policy of aid in public administration has been avoided, since in the last 7 years the primary function of the United Nations has been to solve immediate problems of the countries by providing *ad hoc* assistance in a manner it was practicable to provide it. There has been some gain by this experience. However, what is meant by a philosophy or doctrine of the United Nations in public administration and is it workable in underdeveloped countries? By a basic philosophy or distinct frame of reference is meant that the concept of public administration techniques should be different from a particular national orientation as developed in the United States (highly theoretical, business philosophy, pragmatic); in United Kingdom (highly pragmatic), in France (legalistic). A unique international approach may be developed in which the wider social determinants, such as cultural influences, and values, economic and social conditions, would determine the administrative types in various countries. This technical knowledge, acquired from broad experience, should have universal applicability. Seven years of experience in rendering assistance in public administration has proved that this idea of universal applicability is suitable for countries which have just freed themselves from a heritage of administration which was not either sound or definitive and wishes to organize systems based on sound practical approach. This no doubt has to be very broad to be useful from the point of view of an international agency whose doctrine must be elaborated so as to give due weight to the social determinants, cultural influences and values, which would be different in administrative types in various countries. It should be a doctrine elaborated from a professional point of view, not as a dogma but as an instrument for the systematic transfer of technical knowledge of universal value. It should be remembered at all times that while calling the universality an international point of view at no time should a specific idea be forced on a country. On the contrary, the frame of reference should be brought to the attention of the underdeveloped countries as comparative knowledge, offering them a variety of experiences from which they will choose what is most suitable to solve their individual problems. No attempt should ever be made to try dogmatically to

administration. In this way synthesis can be achieved and practical guidance provided for the experts in the field.

To do this not only the briefing of experts would have to be orientated along these lines but also the very basis of selection of experts must be reviewed. The proper steps to follow are firstly, to select the project and determine the values in relation to the applicability of a particular technique. Secondly, to select the expert who fits in with the specific requirements of the techniques and is capable of working with a different orientation which may demand that a set pattern may have to be modified according to the needs of a country. Thirdly, to provide the experts in the field with documentation acquired from years of experience based on real international frame of reference and also give them substantive guidance which cannot come from elsewhere. All these would lead to additional research and documentation. There always is the fundamental question to be answered, is the United Nations authorized to develop a 'philosophy' of its own in the context of technical assistance? Is it not an operative machinery which works according to the wishes of the member governments. In the absence of a specific instruction is it authorised to sell new ideas to the governments? Can it pose to know more than the countries requesting aid what is best for them? If it is possible to give a simple answer, it can be that the United Nations Technical Assistance Programme has been created to help the underdeveloped countries in developing their economic, social and administrative needs, especially through transfer of knowledge. This applies not only to experts sent in the field, but also to those who direct all its activities. The United Nations is an advisory body and it always accedes to the ultimate wishes of the governments. If however it cannot come forward with bold imaginative plans from its unique position and point out to the governments the difference between various ways and means and give advice in the best interest of a country the role of advice would become negligible. The importance of the "Secretariat" is based upon the independent thinking and critical analysis of the experience it goes through at all stages of activity. The exchange of views between the United Nations and recipient countries is a two-way process. There is need for true recognition of this fact if better results are to be expected.

FUTURE WORK

The governments should be encouraged to accept more and more United Nations advice at all stages to bring improvement in the areas of programme planning, research, long-range planning, evaluation of experts' work. In research and technical publications which is the weakest part of the work of the Public Administration Division, neglect

impose on a country a specific system or technique. This is why a universal frame of reference is important in studying and defining the basic assumptions and the elements and principles of public has not been deliberate, but due to lack of resources, both financial and personnel. Since the Public Administration Division, while being substantive, has no mandate from the Technical Assistance Committee, Economic and Social Council or any other organ of the United Nations to prepare annual studies and substantive documentation work at stated intervals, research has always had to give way to more pressing activities.

This however is most unfortunate as the basis of any substantive advice or guidance is research. The United Nations could benefit from the experience of former experts, if the material accumulated during the past 7 years could be carefully analysed and disseminated for use of future experts in the field. This type of analysis can avoid future mistakes of the United Nations experts and avoid an approach which may have been tried unsuccessfully before in other countries with a similar background. Another analytical work which has never been tried before but could be attempted is appraisal of results achieved on the basis of experts' recommendations. If facts are collected and examined where the United Nations experts' advice has been applied to government departments and ministries with good results in in-service training, personnel or organization and methods fields, all these can add up to increased experience for the future programme.

A proposal was submitted to the eleventh session of the General Assembly* for research work in public administration. This illustrates that if there were sufficient resources, studies could be initiated within the general framework of the needs of the underdeveloped countries, with the main emphasis on practical methods of improvement and adaptation. The results can be embodied in manuals, pamphlets or other kinds of publications. The subjects of most interest are : personnel administration and civil service reforms; administrative problems of economic development and economic development planning; the development of local and provincial administration; the organization and function of Civil Service Staff College; the teaching of public administration in universities; the development of in-service training; the introduction of modern office practices; the devolution of authority; the administration of public institutions; and the administration of public corporations. The stage has been reached where without this additional research the real support of the United Nations

* A/C. 2/189 Annex 1.

would fall short considerably. In Programme Planning work, what is desirable is to ensure that countries ask for the right kind of assistance, understand what they ask for, and observe faithfully their obligations to make the project successful. The established machinery of the United Nations should make this task easy. Programme planning should be done in the field as it is indeed the case under the present system. But instead of waiting for the governments to make requests, more preliminary discussions should take place for all public administration projects. In this work all offices of the Resident Representatives would be of considerable help. In addition technical assistance personnel should be used for consultation. Whether they are functional experts or not should not make any difference. With their general knowledge of public administration and United Nations' help they are in a position to evaluate local situation in all areas of public administration. Finally, more use should be made of United Nations Headquarters Staff for high-level negotiations and planning. Qualified members of the Public Administration Division should visit the field as necessary for programming and come to general agreement with the governments for a common approach. This has been tried out recently in some Latin American countries with great success. It cannot be emphasized enough how important it is to have a priority planning and a common understanding of the task ahead. This would have the same usefulness as a preliminary survey.

Mention should be made at this stage, of the need for long-range planning. Public administration is one field in which there is some recognition that long-range planning by way of institutes is an absolute necessity in order to make any serious improvement of the administrative efficiency of a government. This also applies to other areas such as personnel policies, classification and pay plan systems, setting up of the organization and methods units, budget and fiscal administration, in-service training programmes at all levels.

It is better to take up a few projects and do it well over a period of time rather than to send a large number of experts as short-term advisers. Most underdeveloped countries have not reached that stage yet when they can make use of short visits and high-level advice. Improvement of administrative systems is not a thing for quick action and quick return. This also has to be made known to the recipient countries of technical assistance.

In advisory services, the United Nations already has acquired considerable experience. To strengthen further this activity it is suggested that the documentary services should be increased. More often than not experts going out in the field know little about the country

of their assignment, its history, cultural, economic and social backgrounds. They know even less of the administrative systems and past heritages, and know practically nothing about the surroundings, facilities and the nature of duties involved in the new assignments. Usually it is considered that it takes two to three months for an expert to get oriented and adjusted to his new surroundings. To help him understand better his assignment before departure it would be useful to prepare a "kit of material" with the background of the administrative and organizational structure of the government; reports if any of the former United Nations experts in public administration; agreements and background information on the project and finally all research material related to the subject-matter in which the expert is expected to assist. No doubt this involves greater staff assistance in the Headquarters, but this should be provided as this is the real guidance that the expert needs. As for future consultation as work progresses, Headquarters should be more frank with the expert when his recommendations are impractical and when the government's attitude make his task difficult.

On the question of other advisory services to the government not included in the terms of reference of the expert's assignment more encouragement should be given to the experts to accept additional responsibility. This is to say that an expert should be given sufficient freedom to give on the spot advice at any time to any one he thinks fit, when such advice is sought. Coordination between the public administration experts provided by various specialized agencies should also be strengthened. These are, for example, education administration experts (UNESCO), Public Health Administration experts (WHO), Agricultural Administration experts (FAO), and many others whose functions are technical but who come to face administrative problems in the course of their work and tend to advise on subjects they are not specially either interested in or qualified for. Many who are not public administration experts tend to give advice on administrative matters in order to overcome their immediate administrative difficulties and to continue their functional activity. In this way experts provided by UNTAA in public administration can be of greater help to a government in their over-all administrative needs.

Training Institutes are considered most important and vital projects in public administration. Since this is considered one of the most important areas of activity a discussion would be helpful as to the nature of Training Institutes most suitable for underdeveloped countries. The general procedure for the setting up of training institutions has been for the United Nations to send a preliminary survey mission to examine the needs of the country. Almost always survey

missions have suggested only training plans, without going into other functions and services the institute might perform, that being left to the governments to decide as a policy matter. In accepting requests for setting up training centres, the United Nations should encourage "Multi-purpose Public Administration Centres". Two things must be considered highly important. First, rate of dissemination and transfer of new techniques and knowledge required; second, its lasting effects within the recipient country. The strengthening of local institutes devoted to the dissemination of public administration knowledge to secure permanent and continuing training effort of technical assistance provided to a country is the primary motivation of the United Nations. It is necessary in underdeveloped countries, particularly the newly-independent countries, to start from scratch and to aid the governments even in the diffusion of the fundamental principles and values in public administration. For this reason training projects should have among their terms of reference three principle functions: (a) documentation and research; (b) training and teaching; (c) technical advice. In general, the important thing to take into account is to provide assistance on a permanent basis in such a way which would tend to bring up local "irradiation sources," deconcentrating the nucleus of inspiration and guidance from headquarters to the field. Three main functions, research, training, advice, should be integrated in team work, interconnecting the experience, knowledge and technical resources of each element into a whole working plan. International personnel, when assigned to a function of this kind, will perform their duties as members of the staff of the institution, as government employees. In public administration it is important to plan on an international rather than an individual basis, in order to make it possible that this initial effort could activate self-help of local sources which then may continue on its own momentum the application and dissemination of new techniques.

Throughout the technical assistance activities it should not be forgotten that countries desiring help from the International Organization are not often aware what is best for them. While their national pride may suggest that no one has superior wisdom than the countries themselves of their needs, all misunderstandings should be dispelled in the beginning, and they be convinced that the United Nations is only suggesting what seems to be most desirable for a country.

As for single experts assigned to a specific project two things might mark a considerable improvement, firstly, to make the assignment of the expert for a reasonably long period of time. Short-term assignments for 4-6 months seldom bring sufficient results. It takes

time for the expert to get orientated and often government's own preparation is not sufficient to use the expert's help immediately on his arrival. For this reason it is believed that as far as possible assignments should not be less than one year, with possible extension for six to eight months. Secondly, to give a wide latitude to the expert in his work, expressing it clearly, in his terms of reference. This is not only to imply that he should have freedom in his work but also that job description should be flexible enough for him to assist and advise if so requested, other departments and Ministries in the simpler work for which he is trained. After he has been in the field it should not be necessary to get clearance from the Headquarters each time he is approached by other governmental bodies for help. In fact it would be even desirable to come to some understanding with the government along these lines at the time of programme planning. It should not be difficult to get the Government's agreement in this matter since they have nothing to lose and everything to gain by this arrangement.

Bringing together the inter-ministerial representatives for co-ordinated effort is a task which the United Nations should more and more undertake. There is obviously need for tact and judgment. One other problem the United Nations must consider more seriously is to bring in the experts in the field more and more closely to the policy planning decisions. Being closer to the job they are better equipped to give the best advice to headquarters which is not otherwise available. Any change that would mean multiplication of service and further stimulation of local aids are additional efforts to develop.

Questions have often arisen both in the debates of the Economic and Social Council and the General Assembly as well as among the students of public administration as to whether or not Regional Centres for Public Administration should be encouraged in preference to National Training Centres. There is no positive answer to this question. Both types of programmes should be encouraged. National Institutes are an inevitable growth of the development of a country, and in line with the project of multi-purpose training centres they ought to be encouraged. On the other hand, Regional Training Centres are equally important. They should be of higher standard than the national institutes. The general feeling is after the nationals have been trained in their own institutes only the best students would be sent to the regional centres for advanced studies. This would to an extent reduce the number of fellowship students in Western countries. The financing of these projects should be on a more stable basis, preferably under the "regular programme" of the United Nations which is charged to the annual budget of the Organization.

The role of the United Nations is of assistance in economic and social developmental activities of governments. Since the governments themselves guide the United Nations and give it the broad directives to work on, there is no reason why within that framework certain initiative cannot come from the Secretariat. These are matters of procedure for developing the policies into workable plans. In reality, the Secretary-General is often asked to prepare reports on specific problems and to come forward with suggestions before the United Nations embarks on a new plan. Changes are justified, particularly in public administrative activities, which should be brought to the attention of the governing body. It is encouraging to note that the Economic and Social Council has decided to discuss questions of public administration in a separate item of the Council's agenda. This gives due recognition to the importance which public administration deserves. Taking advantage of this opportunity United Nations might come forward with bold imaginative plans for promoting public administration developments in underdeveloped countries.



THE PROBLEM OF FINANCIAL CONTROL IN THE BOMBAY STATE

(This paper embodies the conclusions of a Study Group on "Procedure for granting financial sanctions to schemes before incorporating them in the Budget and again before actual implementation" which was set up by the Bombay Regional Branch of the I.I.P.A. The Study Group consisted of Shri J.D. Kapadia, Shri K.P. Mathrani, Shri V.L. Gidwani, Shri S.P. Mohite and Dr. N.R. Inamdar; its conclusions were examined further by a Sub-Committee of the Regional Branch consisting of Shri B. Venkatappiah, Shri N.S. Pardasani and Shri V.D. Gangal).

It is proposed to consider here the present system of financial control with special reference to the methods adopted in the sanctioning of Government schemes at the State level. The different problems of financial control and especially the aspects of rigidity and delay have latterly attracted increasing attention on account of the national urgency of implementing development plans. It is necessary for an understanding of the subject to examine closely the structure and functioning of the Finance Department. Such an examination is attempted here in the light of the practices and procedures adopted in the Bombay State. The conclusions sought to be drawn may not, therefore, be applicable in their entirety elsewhere. It is also realised that many of the suggestions made here have to be worked out in greater detail before they can be implemented.

THE FUNCTIONS OF THE FINANCE DEPARTMENT

The functions of the Finance Department are prescribed in the Rules of Business framed under Article 166 of the Constitution which empowers the Governor to make rules for the more convenient transaction of the business of the State Government. In Bombay State the functions of the Finance Department are laid down as follows :-

"11. (1) No Department shall without previous consultation with the Finance Department authorise any orders (other than orders pursuant to any general delegation made by the Finance Department) which—

- (a) either immediately or by their repercussion, will affect the finances of the State, or which, in particular—
 - (i) involve any grant of land or assignment of revenue or concession grant, lease or license of mineral or forest rights or a right to water power or any easement or privilege in respect of such concession; or
 - (ii) in any way involve any relinquishment of revenue;
- (b) relate to the number or grading or cadre of posts or the emoluments or other conditions of service or posts.

(2) No proposal which requires the previous consultation of the Finance Department under sub-rule (1), but in which the Finance Department has not concurred, may be proceeded with unless decision to that effect has not been taken by the Council (of Ministers).

(3) No reappropriation shall be made by any Department other than the Finance Department, except in accordance with such general delegation as the Finance Department may have made.

(4) Except to the extent that power may have been delegated to the Departments under rules approved by the Finance Department, every order of an administrative Department conveying a sanction to be enforced in audit shall be communicated to the audit authorities by the Finance Department.

(5) Nothing in this rule shall be construed as authorising any Department including the Finance Department, to make reappropriations from one grant specified in the Appropriation Act to another such grant."

Thus every proposal involving expenditure has to be referred by the administrative department concerned to the Finance Department for financial sanction. The Accountant General will normally not make any payments unless orders involving expenditure are shown to have been issued in consultation with the Finance Department; and for this purpose a stamp is required to be affixed and, in certain cases, copies of orders sent to the Accountant General through the Finance Department. It is the special concern of the Finance Department to ensure that, on one hand, there is due regard for economy in expenditure, and on the other, due observance of equal treatment to different classes of employees in the matter of remuneration and other service conditions.

PROCEDURE REGARDING FINANCIAL SANCTION

Although Heads of Departments have been given certain powers for incurring contingent expenditure and creating temporary posts within certain monetary limits laid down by the Finance Department, there is at present little delegation of financial powers to the administrative departments of the Secretariat. In the result, almost all proposals which involve financial implications are referred by the administrative department of the Secretariat to the Finance Department, with detailed justification. The manner in which references pertaining to such proposals are made to the Finance Department depends on whether the proposal constitutes a new service or is merely in pursuance of an existing scheme or service which had already been approved in consultation with the Finance Department. In the latter case, the proposal can be referred to the Finance Department at any time of the year and, if approved, is generally to be financed from within the grants already sanctioned for that service in the budget. Where the extra expenditure included cannot be so accommodated, it has to be met by a supplementary demand, in case it cannot be met by re-appropriation. Where a proposal constitutes a new service, it has to be referred to the Finance Department within a specified time-limit for scrutiny with a view to including it in the budget. In the old days, when such proposals were comparatively few and simple, it was possible for the administrative departments to work out their full implications and present their propositions in the requisite detail and yet provide enough time for scrutiny by the Finance Department before inclusion in the budget. With the growth of public expenditure, such proposals are now submitted in fairly large numbers and sometimes at too late a stage so that the practice has grown up of making tentative provision in the budget subject to later scrutiny by the Finance Department. This scrutiny is made after the passing of the budget but before the issue of orders. Further in certain other cases (especially large P.W.D. Works), the schemes cover two or more distinct stages which it is seldom possible to work out in advance. In such cases it is usual to obtain the concurrence of the Finance Department for each successive stage as and when detailed orders are required.

While the admitted object of all this procedure is to enable the Finance Department to discharge its twofold function of effecting economy and ensuring uniformity, it would be necessary to enquire in detail as to how the system works in practice. This involves some examination, first, of budget procedure, and then of the structure of the Finance Department.

BUDGET PROCEDURE

The preparation of the Budget starts six months before the commencement of the financial year. The Finance Department calls for estimates of expenditure which are divided into :—

- (1) Part I-A dealing with fixed pay and fixed allowances for Gazetted and personal salaried officers;
- (2) Part I-B dealing with estimates for other fixed charges, viz. pay and allowances of establishment, contract contingencies, etc.;
- (3) Part II-A dealing with fluctuating charges such as provision for temporary establishment, fluctuating contingencies, etc.; and
- (4) Part II-B dealing with new activities.

From September to November the Finance Department has to go through a mass of material relating to Part I-A, Part I-B and Part II-A of the Budget Estimates for the following year. These Estimates are based on certain general principles and are disposed of by junior officers. The volume of the work involved in this scrutiny is fairly heavy. Until this work is completed, it is not possible to assess the total bill on account of standing charges, *i.e.*, for the maintenance of existing activities. Side by side, however, proposals for new activities to be shown under Part II-B are also considered in the form of New Items. Among New Items, a distinction is drawn between (a) Section I New Items (consisting of entirely new proposals) and (b) Section II New Items (consisting of works in progress and temporary schemes sanctioned from time to time). The latter, *i.e.*, Section II New Items have to be accommodated within the outlay indicated to the departments before provision is admitted for the former, *i.e.*, Section I New Items. This distinction between Section I and Section II New Items is gradually getting blurred since, with a planned programme covering successive five-year periods, it is often difficult to say whether a particular scheme is an entirely new one or is merely the later phase of an activity earlier initiated.

For the reasons which are largely unavoidable, the administrative departments are usually left guessing as to even the approximate amount likely to be available to them, eventually, for their new non-Plan items. Irrespective of this, they usually prepare and forward to the Finance Department fairly numerous proposals, along with descriptions of the schemes, estimates of cost in such detail as may be possible, justification for the expenditure and reasons for urgency. The papers are shown unofficially to the Finance Department, its sugges-

tions, if any, taken into account and modified schemes put forward for consideration. New Items are supposed to reach the Finance Department by the end of October at the latest; in practice, the New Items are in many instances not ready even by the end of November and they keep coming in as late as January. By the middle of December, the Finance Department is in a position to make a provisional financial forecast of the amount likely to be available for new activities on the basis of existing revenues. Items like the additional taxes proposed to be levied, the Central assistance likely to be received and the open market loans proposed to be raised are known only at a later stage. With the advent of the annual programmes of Plan an element of programme budgeting has come into vogue since 1956-57. Sometime in October, the Planning and Finance Departments work out a tentative allocation of resources available for the next year and indicate to all departments the approximate amounts on revenue and capital accounts likely to be placed at their disposal for their Plan schemes. Within these allocations, the departments are required to distribute the outlay on different schemes subject to the priorities indicated by the Government or the Planning Commission. By the beginning of January, the resources position for the next year is estimated in consultation with the Government of India and the Planning Commission so far as the Development Programme is concerned. The Budget is presented to the State Legislature in February, and the necessary grants passed by the Legislature by the end of March. Expenditure can then be incurred on various items included in the Budget provided that, where the details of a scheme have not been previously approved by the Finance Department, they have to be referred to it for approval before issue of orders.

If during the course of the financial year a proposal for which no provision exists in the Budget is made by any department and approved by the Finance Department, the expenditure is usually met by re-appropriations and if this is not possible, by obtaining the sanction of the Legislature by way of supplementary demands. In cases of exceptional urgency, the expenditure can be met by an advance from the Contingency Fund provided sanction is obtained from the Expenditure Priorities Committee which consists of the Finance Minister, Chief Secretary and the Finance Secretary. The advance has to be recouped later by a supplementary grant voted by the State Legislature. As the amount available in the Contingency Fund is limited, this procedure is reserved for unforeseen demands of an urgent nature.

STRUCTURE OF THE FINANCE DEPARTMENT

The Finance Department consists of 30 Branches grouped as follows under different Sections :—

(1) Finance : There are 6 Branches concerned with scrutiny of the various schemes (including Power Projects like Koyna, Kakrapar) and of items of contingent expenditure.

(2) Budget : There are 4 Branches concerned with the work of the Budget, Appropriation Accounts, Ways and Means and Central Financial Assistance.

(3) Reorganisation : There are 2 Branches concerned with assets and liabilities of the component parts of the new Bombay State, posts and fixation of pay of allocated Government Servants.

(4) Services : There are 8 Branches dealing with creation and continuance of posts, regulation of conditions of service like leave, pension and Travelling Allowances.

(5) Vigilance : There are 2 Branches concerned with expeditious settlement of audit objections, pension claims, budgetary irregularities, etc.

(6) General : There are 5 Branches dealing with administration of Sales Tax, Company Law, Statutory Corporations, Treasuries and Issue Sections and Small Savings.

(7) Insurance : There is 1 Branch dealing with the administration of Insurance Fund.

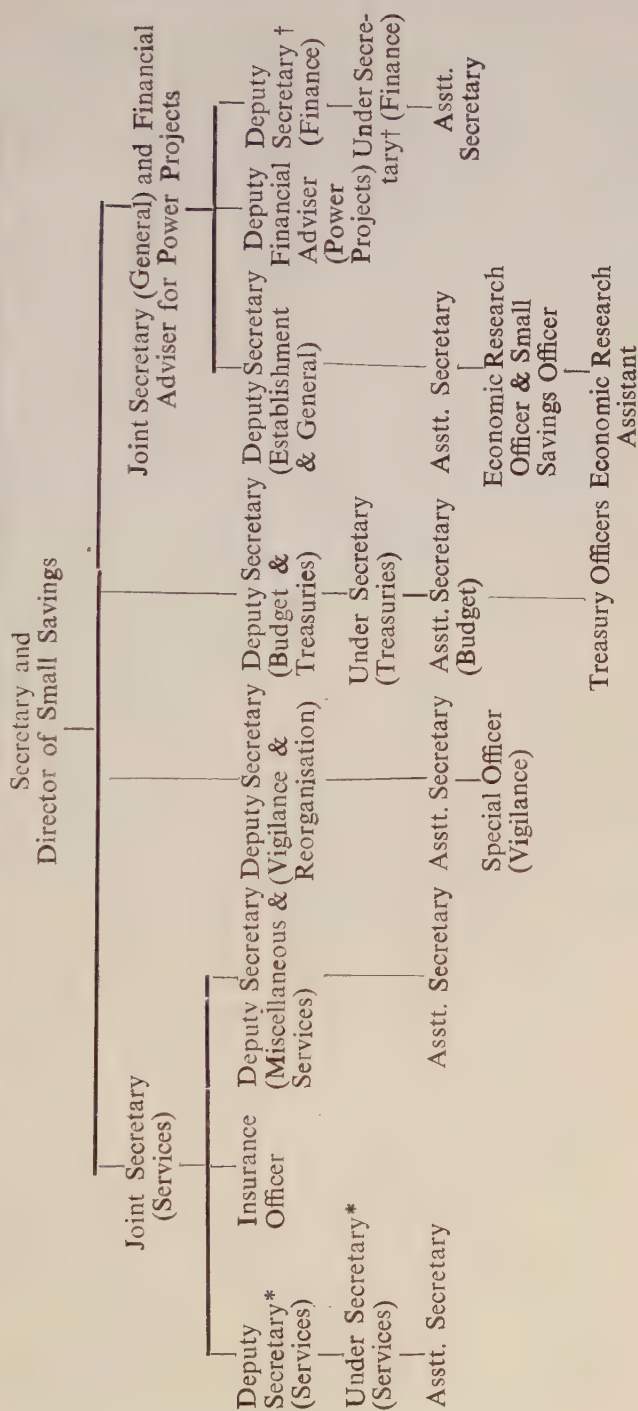
(8) Establishment : There are 2 Branches dealing with the establishment of the Finance Department as also of offices under its administrative control such as Sales Tax, Bureau of Economics and Statistics, Treasuries, etc.

Each Branch consists of a Superintendent, three or four Assistants and two or more Clerks. Above the Superintendents are Assistant Secretaries and Under Secretaries, and above them Deputy Secretaries. The Chart given opposite will serve to give a broad indication of the distribution of work among the officers of the Finance Department, including the Joint Secretaries and, finally, the Secretary.

DISPOSAL OF REFERENCES

The bulk of the references made to the Finance Department are unofficial, in the sense that instead of writing a self-contained letter to the Finance Department all the relevant papers are shown to it. These papers are returned to the administrative department concerned after recording the views of the Finance Department. These references can be divided into different categories, *viz.*, those relating to the sanctioning of schemes, those dealing with service matters and those relating to the subjects allotted to other sections in the Finance Department.

CHART SHOWING DISTRIBUTION OF WORK AMONG FINANCE DEPARTMENT OFFICERS



* is also in charge of one Finance Branch

† is also in charge of one Services Branch

The first two categories are dealt with in the relevant Finance and Services Branches according to the departments from which they come to the Finance Department (with the exception that on the Service side there are some specialised Branches which deal with general questions like pensions, travelling allowances and so on and these receive references from all departments). Each Branch on the Finance side has been allotted specific departments of the Secretariat. Thus, the Revenue Department has been assigned to the Branch F-1 on the Finance side and Branch S-3 on the service side. All unofficial references coming from the Revenue Department will, therefore, go to Branch F-1, if they relate to any of the subjects allotted to the Finance Section and to S-3, if they relate to any of the subjects allotted to the Services Section. As regards the remaining references, they are dealt with by the other appropriate Branches of the Finance Department according to the subject-matter of the references, irrespective of the department making the reference. Thus, a reference coming from any department on a certain point in connection with the Appropriation Accounts will be dealt with by Branch B-2. If the case involves points pertaining to two or more sections in the Finance Department, it travels through the respective Branches. Thus, a proposal to create a library section in a certain Government college will first be received in Branch F-2. That Branch will examine the merits and the financial implications of the proposal. It will then submit the papers through Branch S-2, S-6, S-7, etc. for examining such parts of the proposal as pertain to staff, scales, allowances, etc. and through Branch B with reference to the budget provision. The cases travel through these Branches and also the respective sectional officers in charge. There are no hard and fast rules as to which cases should be submitted to higher officers. This is left to the discretion of the junior officers. Some broad criteria, however, exist. For instance, a proposal involving a material deviation from the provisions of rules or considerable extra cost would normally be submitted to the Deputy Secretary and even to the Joint Secretary or the Secretary.

On account of the procedure mentioned above, the disposal of important and complicated cases is liable to be delayed. Sometimes the delay is appreciable. Where the Finance Department does not accept the proposal or agrees subject to modifications which are not acceptable to the administrative department concerned, the papers are generally sent back to it by the administrative department with additional information or justification. The case is at this stage generally dealt with at the officer level in the Finance Department, though even then, if detailed scrutiny is necessary, it may once more go through all the stages mentioned above.

SOME GENERAL OBSERVATIONS

During the last ten years there has been a significant change in the volume and nature of the activities undertaken by State Governments, especially in the departments concerned with welfare and development. In particular, the level of capital expenditure on construction works pertaining to irrigation, power, roads and buildings, has multiplied several times. There has therefore been a substantial increase in the volume of work in all departments including the Finance Department. There has not been a corresponding increase in the staff of these departments. Moreover, the increase in activity and expenditure has not been offset by any delegation of financial authority, with the possible exception of community and local development works. Further, as a result of too rapid promotions and other reasons such as fall in educational standards, the scrutiny of references either in the administrative departments or in the Finance Department is not as thorough as it used to be or as it ought to be in view of the large amounts of public money involved. Sometimes, even the preliminary scrutiny applied in the administrative departments is inadequate owing partly to pressure of work and partly to lack of technical assistance in budgetary matters. As the strings of financial control are held tightly by the Finance Department, there is also a perceptible tendency on the part of administrative departments to anticipate a "treasury-cut" and inflate their expenditure proposals accordingly. Such a state of affairs can be improved only if the responsibility for a proper formulation of proposals after examination of the financial implications is placed on the concerned administrative department and the Finance Department confines itself to its dual role of ensuring economy and uniformity within the plan allocations for a particular scheme.

It is also necessary that the Finance Department should readjust its traditional functions to suit the compelling requirements of planned development without detriment to its statutory duties as the watchdog of the State. It was inevitable that the scope of scrutiny exercised by the Finance Department should have diminished after the advent of Planning. A reference has already been made to the introduction of the "Annual Plan" whereby the administrative departments are empowered, within limits and subject to priorities, to distribute their total allocations for the budget year among the various schemes pertaining to their heads of development. In effect, the Finance Department has usually to accept the order of priority indicated to it and not question it on financial grounds. It is also necessary to recognise that the traditional role of the Finance Department as the sole judge of the

relative urgency of different schemes can no longer be maintained in implementing a Planned programme. In the formulation of that programme for the five-year period as well as for each year, the resources position and the general considerations of economy which are the special concern of the Finance Department are already taken into account. But once the magnitude of the programme is settled, no rearrangement of priorities is allowed to be effected on what in substance are financial grounds. This implied limitation on the traditional role of the Finance Department is inherent in Planning and has now to be recognised as an undisputed fact. This, however does not mean that the Finance Department should divest itself of responsibility to suggest modifications of various items including reductions in the amounts required for different schemes, on the basis of the criteria for economy and uniformity usually applied by it. While the Finance Department should not question the need for a particular scheme included in the Development programme, it should not hesitate to examine whether the measures adopted to attain the object of the scheme are really the most economical. Unless this function is discharged adequately, the limited resources available will not be utilised to the maximum advantage. The type of scrutiny which the Finance Department is now called upon to carry out is, therefore, somewhat different from what it was before the advent of Planning. In so far as activities hitherto not undertaken by public bodies are being included in our programmes, the Finance Departments has also to equip itself adequately to examine the financial implications of such schemes, review their progress and suggest modifications from time to time in the interest of economy.

Since a large proportion of activities in the Plan is not of the usual administrative type it is also necessary that the Finance Department should adopt a more constructive, as distinguished from a merely critical, approach to the problem of finance than has been the case in the past. It must be borne in mind that reduction in expenditure is not always equivalent to the effecting of economy. Keeping down expenditure may mean postponement of development or reduction in quality or efficiency of work done, apart from other undesirable social consequences such as unemployment and low wages. The role of the Finance officer is at present usually restricted to accepting or rejecting wholly or in part the proposals prepared by the administrative departments. It is very rarely that they offer alternative proposals which are likely to result in increased expenditure though such suggestions could be easily justified on a broader view of what would be economical in the long run. The traditional approach is sometimes defended on the principle of division of functions. It is felt that the

best results would be achieved if the responsibility of putting up proposals for additional expenditure is placed entirely on the administrative department and the Finance Department looks at the problems only from the point of view of reducing expenditure. But, such an approach deprives the officers in the Finance Department of opportunity of exercising initiative in the interest of economy in the long run and encourage a spirit of bargaining between the administrative departments and the Finance Department.

The Finance Department does not have also the necessary expert regarding the working of different types of schemes which come up for scrutiny. It would, therefore, be necessary to arrange for a systematic exchange of officers at different levels between the Finance Department and the administrative departments if the Finance officers are to perform their role with efficiency and responsiveness. This interchange is also called for from the point of view of the administrative departments who will thereby get officers with financial experience to assist in their work. With a view to enable the Finance Department to discharge its changed role in a more effective fashion, some changes in procedure and structure are suggested in what follows.

NEED FOR DELEGATION

As stated earlier, the financial powers delegated to the administrative departments are so limited that even the smallest proposal involving expenditure has to be referred to the Finance Department. This worked well when the Secretariat was a relatively small organisation and the number of proposals to be referred to the Finance Department was limited. Today, this complete lack of delegation of financial powers to administrative departments cannot be justified and is a source of irritation and delay. The extent to which delegation can be made has, of course, to be worked out with care and deliberation. At the same time there is no doubt that delegation of financial powers to the administrative departments on a more liberal scale will be of considerable help. For instance, power to sanction non-gazetted posts and to incur contingent expenditure in connection with the approved schemes can safely be delegated to the administrative departments subject to certain monetary ceilings to be prescribed for the purpose and further subject to necessary safeguards, *e.g.*, adherence to the prescribed standard of pay scales and allowances and to the other general rules and regulations laid down by Finance Department, availability of budget provision, etc. Under these arrangements the departments will have to seek the concurrence of Finance Department only in cases where the rules are proposed to be relaxed. The departments can also be given

full powers of reappropriation of funds as between two minor heads under the same major head without consulting the Finance Department provided both the minor heads affected are under the control of the same department. Incidentally, the present Financial Publication No. VII which specifies the several financial powers delegated to various officers, has been compiled on the basis of the content of the power as the main category, *i.e.*, it specifies the powers in one column of the statement and the various officers who enjoy them in another. It is thus somewhat difficult to find out from this manual the various powers enjoyed by a particular category of officers. If the publication is revised or another publication issued to show the categories of officers in the principal column, this is likely to prove more useful. In order to ensure that the delegated authority is exercised with responsibility, such delegation could be made on condition that all sanctions of the posts by the administrative department are approved by the Secretary of the Department. As this delegation will be subject also to the Budget provision which is determined from year to year in the light of Plan allocation, the administrative department will ordinarily have an adequate incentive for avoiding wasteful expenditure.

INTERNAL ACCOUNTS OFFICERS

In order to facilitate the exercise of delegated powers all major departments of the Secretariat and offices of some of the Heads of Departments should have an Internal Accounts Officer either separately or jointly with another department. These officers should have adequate experience in budget and accounts matters as well as knowledge of the various financial rules. They should be required to undergo a course of training either in the Finance Department or in the Accountant General's office, but such a training can be dispensed with if they have previous experience of the working in either of these two offices. They should be under the administrative control of and be responsible to the Heads of the Departments to which they have been appointed. It should be the duty of these officers to apply the same type of financial scrutiny as the Finance Department adopts so that before the proposals go to the Finance Department their financial implications are fully examined. According to the general procedure of budgeting followed at present the officers of the Finance Department have to go through a mass of material relating to Part I-A, Part I-B and Part II-A of the Budget Estimates for the following year. The volume of work involved is so heavy that the time of these officers is taken up entirely in this comparatively routine type of work. This work also can, without possible loss of accuracy, be left to the administrative departments provided certain principles underlying the preparation of Budget

Estimates are laid down clearly for the purpose of guidance and the departments are given the assistance of Internal Accounts Officers. The administrative departments also have on occasion to make references to the Finance Department for purposes of ascertaining whether funds are available under certain budget provisions. Such references can be avoided if each administrative department is asked to maintain a "Source Book" for the purpose of accommodating its expenditure within the sanctioned amount. This work can also be conveniently entrusted to the Internal Accounts officer. During the last few years, the importance of Central assistance for financing the Development programme of the States has increased rapidly. There are a number of schemes for which Central loans and grants are available provided the schemes are prepared on certain lines approved by the Government of India. This pattern of Central assistance calls for a detailed and continuous scrutiny at the departmental level, if the claims for the amounts due to the State Government are to be made properly and in time. The need for an Internal Accounts Officer to attend to this work is also evident. With more experience it should be possible to delegate larger powers and upgrade the status of the Internal Accounts Officer so that references to the Finance Department are kept to the minimum necessary for the efficient discharge of its statutory duties.

BUDGET CALENDAR

With regard to budgetary procedure, we have already noted the great rush with which New Items have to be scrutinised in the Finance Department, the period effectively available being about two months. Moreover, the administrative departments also keep on sending such items until late in the year when the Budget is about to be finalised. As a result, there is no detailed scrutiny of such proposals and the items which are included in the Budget have again to be examined in detail, resulting in duplication and delay. Instead of calling upon the administrative departments to submit New Items by a particular month, it is suggested that they should be encouraged to formulate and submit new schemes throughout the year. In that case, departments will have enough time to prepare detailed schemes and the Finance Department will also be in a position to exercise proper scrutiny. The other point is that only New Items received and scrutinised in detail by a particular date might be admitted. As the dates for submitting Budget Estimates, New Items, etc., are prescribed in the Budget Calendar and notified to the departments and controlling officers in advance, it would no doubt be an ideal solution if detailed scrutiny of New Items is completed before these dates, so that the final inclusion of these items in the Budget is made by Government with full knowledge of their financial implications

and the administrative departments can implement the schemes immediately after the Budget is passed. It is, however, doubtful whether in the present circumstances, this ideal can be fully attained. It is therefore suggested that New Items which are sent in late and are not scrutinised in detail before inclusion in the Budget should be sent to the Finance Department for detailed scrutiny which should be completed during the months of January to March, so that draft orders for sanctioning schemes are kept ready before the beginning of April. This procedure will avoid the delays which occur at present on account of scrutiny being carried out after commencement of the financial year for which the schemes have to be approved. It could be further ensured that all preliminaries in respect of new works proposed to be undertaken in the ensuing year *e.g.*, administrative approval, technical sanction, preparation of plans and estimates, acquisition of sites, etc. are duly completed before the close of the year which is current. Similarly, the administrative departments should also see that, as a rule, orders regarding executive sanctions to the new schemes and distribution of grants to various regional officers are issued immediately after the passing of the Budget.

BUDGETARY CLASSIFICATION

It may be argued that since Section II New Items represent continuing schemes or works in progress and have already been accepted by the Legislature, though on a provisional or temporary basis, it is not necessary to have them examined by the Finance Department prior to their inclusion in the following year's Budget and that they can therefore, be included in the Budget straightaway. This would not, however, be desirable as the approval accorded to them by the Legislature is of limited character in so far as most of these schemes are sanctioned for a specific period (mostly one year) in the first instance. It is, therefore, necessary to scrutinise these schemes with a view to ascertaining whether they have actually been started, and if so, whether the progress made justifies their continuance and also whether having regard to the financial forecast for the following year the outlays on such schemes should not be modified. It is for this reason that Section II New Items are placed before the Council of Ministers. With the increase in the volume of work, it has become more difficult to scrutinise all Section II New Items with the result that many of them are almost automatically included in the Budget and the detailed descriptions prepared by the administrative departments serve no practical purpose. It is therefore suggested that while the practice of forwarding Section II New Items to the Finance Department be continued, the labour involved in preparing elaborate details could be avoided.

Where schemes have already started and are merely required to be continued without any significant expansion or change, the provision required therefor can be straightaway included in the Budget. Where, however, schemes have been sanctioned on an experimental basis or large works are in progress or lump-sum grants are provided, the need for a more critical examination would continue.

REORGANISATION OF THE FINANCE DEPARTMENT

We have already noted that the present structure of the Finance Department is not conducive to a quick and co-ordinated appraisal of the schemes submitted by the administrative departments. The delegation of financial powers and the appointment of Internal Accounts Officers proposed above would reduce the number of references to the Finance Department and also improve the form in which proposals are presented to that Department. For effecting further improvement, it would be desirable to rearrange the distribution of work among the branches of the Finance Department in such a manner that all references pertaining to a particular department of the Secretariat are received and dealt with in one single branch of that department irrespective of the subject-matter of those references. For this purpose the branches in the Finance Department can be divided into Specialised and General Branches. The Specialised Branches (such as those dealing with the Budget, Ways and Means, Appropriation Accounts, Treasuries, Small Savings or Amendments to the Bombay Civil Service Rules) can continue to remain as separate branches dealing with references from all departments. But the General Branches dealing with financial sanctions and services will have to be rearranged on the basis of references from particular departments. In so far as references from one department are too many to be dealt with in one branch the necessary co-ordination could be secured by putting two or more branches under the same officer. One advantage of this rearrangement of branches would be that the administrative departments would have no difficulty in locating their cases and in getting them disposed of by the Finance Department staff. This would also facilitate the settling of differences of opinion between the administrative departments and the Finance Department by personal discussion at the officer level. Another important advantage of this arrangement would be that the Deputy Secretaries of the Finance Department would be fully conversant with the activities of one or more administrative departments and could generally assume the role of Financial Advisers for such departments. It is possible that, as more and more officers of the Finance Department function in this way, they along with their staff could be physically located in the administrative departments

themselves, although they would continue to function as an integral part of the Finance Department and under the direct control of the Finance Secretary. This, in course of time, would result in the Finance Department having officers who would be intimately acquainted with the activities of particular departments and who, therefore, would be in a position to discharge their functions with a greater understanding of the requirements of the various departments.



PUBLIC ADMINISTRATION IN NEPAL

Ram Chand Malhotra

THE traditions of an organised system of public administration in Nepal are more than a century old. The formal framework of the system was laid down and the "*Ains*" and "*Sawals*" (Acts and Regulations) were formulated and codified a century ago by Jang Bahadur Rana, the first Rana Prime Minister of Nepal. During the next one hundred and four years of the Rana regime, though the number of Government departments varied from time to time and the "*Ains*" and "*Sawals*" were modified and expanded in scope, the basic structure of Nepal's public administration changed but little.

THE RANA REGIME

During the hundred and four years (Sept. 1846-Feb. 1951) of the Rana regime, though the Prime Minister ruled the country in the name of the King, he ruled supreme. Prime Ministership was made perpetually hereditary in the Rana family, and the Prime Minister and his successors were granted virtually dictatorial powers by the '*Sanads*' of 1846 and 1856, which Jang Bahadur Rana was able to extract from the then reigning monarch.

The Prime Minister was "thereby given the powers of life and death and punishment, of appointing and dismissing all Government servants, of declaring war, concluding peace and signing treaties with all foreign powers including the British, the Tibetans, and the Chinese, and finally, he was given the authority to make new laws and repeal old ones, civil, criminal, or military."¹ The Prime Minister, in short, combined in himself, in practice, the functions of the Chief Executive or the Head of the Government, the legislature and the highest court of appeal in the country, and thereby used the absolute powers which normally belonged to the King².

A Rana Prime Minister was succeeded by the next eldest member in the Rana family. The Prime Minister also held the title of the "Supreme Commander-in-chief". Next in hierarchy to the Prime Minister were the Commander-in-Chief and four Senior Commanding Generals who were also respectively next in the line of succession to

1. Percival Landon, *Nepal*, Vol. II, London, Constable & Co. Ltd., 1928, p. 147.

2. The King's role was very much similar to the role of the Japanese Emperor during the Tokugawa period in Japanese history.

the Prime Ministership. The lines of succession as well as the administrative hierarchy tended to coincide with each other, strictly on the basis of seniority. This principle of seniority permeated even the lower levels of administration. Promotions in the lower and middle grades were made on a system of "Roll Promotion" which was almost a "Roll of succession" within the office.

The Commander-in-Chief, who also functioned as "*Mukhtiar*" or Deputy, and in later years held the formal titles of "Commander-in-Chief" and "Minister" looked after all affairs of civil administration. The four Senior Commanding Generals designated after the four directions of Kathmandu functioned really as Heads of the larger departments that were assigned to them. Below the Senior Commanding Generals in rank, but directly responsible to the Prime Minister through the C-in-C in the administrative hierarchy, were other Heads of Departments, known as Directors-General. They were also members of the Rana family and also invariably held military ranks. Thus, during the Rana regime, civil and military administrations were not only closely inter-related but even merged into one at the higher levels of the hierarchy.

CABINET GOVERNMENT

With the advent of the Cabinet form of Government in early 1951 and with the blessings and wise guidance of the progressive-minded late King Tribhuvan Vir Vikram Shah Deva, a change in the administrative system also became necessary. The "Interim Government of Nepal Act" promulgated on the 18th February, 1951 provides for a democratic form of Government for the country with a Council of Ministers as the Heads of H.M.'s Government³. The Prime Minister is at the head of the Council which is collectively responsible to His Majesty the King. The Prime Minister as well as the Ministers are appointed by His Majesty the King and hold office at His Majesty's pleasure. The Act is to remain in force until such time as an elected Government shall be formed under a new Constitution.

The Act popularly known as the "Interim Constitution" visualises a parliamentary form of democratic government providing for the effective delegation of powers from the King of the Ministers who are to aid and advise His Majesty the King.

The first measure of administrative reform introduced under the new set-up was the establishment of a Central Secretariat and the

3. The designation "*Nepal Sarkar*" or the Government of Nepal has been officially changed to "*Shree Panch ko Sarkar*" or His Majesty's Government, with effect from the beginning of the current Vikrami year 2015 (April 13, 1958).

various "Ministries" therein. New and higher cadres of the Civil Service were created, and appointments made to them. The old scales of pay were revised and upgraded two to five-fold. The number of Ministries has varied with different governments during the last six years and has ranged from nine to fourteen. At present, the number of "Ministries"⁴, as reorganised by His Majesty King Mahendra more than two years ago on a rational basis, is nine as given below :⁵

- (1) Ministry of Home Affairs, (2) Ministry of Foreign Affairs, (3) Ministry of Defence, (4) Ministry of Finance and Land Revenue, (5) Ministry of Food, Agriculture, Irrigation and Forests, (6) Ministry of Commerce and Industry, (7) Ministry of Health, Education and Local Self-Government, (8) Ministry of Public Works, Transport and Communications, and (9) Ministry of Law and Parliamentary Affairs.

The permanent head of each Ministry is a Secretary, who is a civil servant, and under him are Deputy Secretaries, Assistant Secretaries, gazetted (class III) officers, non-gazetted officers, and senior and junior clerical staff, all drawn from the Civil Services. To co-ordinate the functions of all the Ministries in the Central Secretariat there is a Chief Secretary to H.M.'s Government, who also functions as Secretary to the Council of Ministers.

The permanent civil service staff of each 'Ministry' is responsible to the Minister-in-charge and advises him on matters of policy and also in the administration of plans and programmes in the Ministry's particular sphere of responsibility. The actual execution of programmes and activities, however, is left to the executive Departments which are also organised on a functional basis and are responsible to the respective Ministries. The number of such executive and technical Departments, as at present constituted, is twenty-nine, namely, the Departments of : (1) Publicity, (2) Radio Nepal, (3) Hospitality, (4) Customs Commissioner, (5) H.M.'s Mint, (6) Accountant General's Office, (7) Terai Land Revenue, (8) Hills Land Revenue, (9) Survey, (10) Agriculture, (11) Irrigation, (12) Forests, (13) Food, (14) Village Development, (15) Rapti Dun Development Administration, (16) Co-operative, (17) Industries, (18) Cottage Industries, (19) Civil Supplies and Central Purchase, (20) Mines, (21) Education, (22) Health Services, (23) Nepal Museum, (24) Archaeology, (25) Panchayats, (26) Communications, (27) Public Works, (28) Electricity and Ropeway, and (29) Civil Aviation, Railway, and Road Transport. Besides these, there are also the Army Headquarters with the

4. These are officially known as Secretariat Departments during the periods when there is no Cabinet, i.e., when there is 'direct rule' by His Majesty the King.

5. "His Majesty's Government (Allocation of Business) Rules, 2015", *Nepal Gazette*, September 22, 1958.

Commander-in-Chief at its head and the Police Department under the Inspector-General of Police.

At the head of the executive Departments are Directors, one or more Assistant Directors, and technical and other officers of "gazetted" and "non-gazetted" ranks. Though all Departments have their headquarters in Kathmandu, most of them have their branch or field offices in almost every District, and it is through their branches or district offices that they administer and execute their activities throughout the country.

Thus, below the level of the Council of Ministers, three levels of central administration may be identified in Nepal :

- (1) The Central Secretariat or the level of the "Ministries" (Secretariat Departments) which formulate policies and plans and advise their respective Ministers.⁶
- (2) Executive Departments, which co-ordinate the preparation and execution of programmes and projects in their respective areas of responsibility, throughout the country.
- (3) Departmental field or branch offices, which execute activities and programmes in their local areas under the direction of their respective Departments.

Besides these levels of central administration, co-ordination of the Central Government's programmes and activities and collection of revenues in the Districts is done through the *Bada Hakim's* offices and '*Mal Addas*' in the District Headquarters.

DISTRICT ADMINISTRATION

The country, for administrative purposes, has been divided into 32 Districts, each with its headquarters wherein is located an office of the *Bada Hakim* or the District Administrator, often times called "Governor". The Districts are classified into "A", "B", and "C" classes and the total number of Districts in each class is as follows :

<i>Class</i>	<i>Number of Districts</i>
A	7
B	9
C	16
<hr/>	
TOTAL	32 ⁷

6. His Majesty the King during 'direct rule' by the King.

7. Class "A" Districts :

'East' (from Kathmandu)—in the Hills (1) Dhankuta,
in Terai (2) Birganj (3) Mahottari
(4) Saptari, (5) Biratnagar.

Broadly, the District headquarters in the Terai, mostly Class "A" and "B" Districts, are known as "Goswaras", i.e., the District Headquarters in the Hills, mostly Class "C" Districts, as 'Gaundas', 'Garhis' and 'Chhoti Gaundas'. The Valley of Kathmandu is administered by a Valley Commissioner and three Magistrates. The latter perform similar functions as a *Bada Hakim* in a district in the three cities of the Valley, namely : (1) Kathmandu (or Kantipur), (2) Patan (or Lalitpur), and (3) Bhatgaun (or Bhaktapur).

The *Bada Hakims* function as representatives of the central administration in their respective districts, and as such, act as representatives of the various Ministries and their executive Departments. An important function of a *Bada Hakim*, therefore, is to coordinate the various activities of the central Departments in his District and work for an all-round development of the District. A *Bada Hakim's* traditional functions have been maintenance of law and order, collection of land revenue and other revenues, and administration of such programmes and activities for which the respective central Departments may not have any organized machinery such as a branch or field office in the Districts.

"West"	...	...	in the Hills (1) Palpa,
			in Terai (2) Palhi Majha Khand.

Total Class "A" Districts: 7

Class "B" Districts :

"East"	...	...	in the Hills (1) East No. 1, (2) Ilam
			in Terai (2) Jhapa
			in the Hills (3) West No. 1 (2) West No. 3
			(3) Doti
			(4) Sivaraj Taulihawa
			(5) Banke Bardia
			(6) Kailali Kanchanpur

Total Class "B" Districts: 9

Class "C" Districts :

"East"	...	...	in the Hills (1) East No. 2 (2) East No. 3
			(3) East No. 4 (4) Chisapani
			Garhi (5) Udayapur Garhi
"West"	...	...	in the Hills (1) West No. 2 (2) West No. 1
			(3) Baglung (4) Gulmi
			(5) Salyan (6) Piuthan
			(7) Dailekh (8) Dadel Dhura
			(9) Jumla (10) Baitadi
			in Terai (11) Dang Deukhuri

Total Class "C" Districts: 16

Besides the 'Garhi' or 'Gaundā' or 'Goswara' (*Bada Hakim's* Headquarters) in a district, there are a "Mal Adda" (Revenue Office) and 'Amini' or 'Adalat' (District Court). The actual collection of land revenue and other revenues and their safe custody etc. are the responsibility of the 'Mal Addas' which report to a central Land Revenue Office and the Revenue Division of the Finance Ministry of the Central Government through the *Bada Hakim's* office. Other departmental field or branch offices in a district also normally report to their head offices (i.e., Departmental headquarters) through their respective *Bada Hakims*.

Lately there has been a growing tendency on the part of the Central Departments to set up their own regional headquarters in the Districts and bring their field or district offices directly under the control of their regional offices and restrict the *Bada Hakim's* authority over their field offices only to "general supervision".

LOCAL SELF-GOVERNMENT

The second level of Government in Nepal is at the local level organised as 'Gaon' or 'Nagar' Panchayats. The first 'Gaon Panchayat Act, and Panchayat Court Act and the District Court Act were promulgated during the Rana regime in the Vikrami years 2006 and 2007 (1949 and 1950) and the *Gaon Panchayat Act* and the *Panchayat Court Act* were replaced by the Act of 2013 (1956). A "Nagar Palika Act" was also promulgated in 2012 (1955). The *Panchayat Goswara* or the Department of panchayats, whose responsibility it is to constitute new *panchayats* as prescribed in the two Acts and to supervise and guide all *panchayats* after their formation, is at present undergoing a major reorganisation. The Department is supervised by the Division of Local Self-Government (formerly a full-fledged Ministry) in the Ministry of Education, Health, and Local Self-Government.

ADMINISTRATIVE REORGANISATION

As already indicated, reorganization in the old administrative machinery of H.M.'s Government became imperative with the change in the form of the Government in 1951. The change was so sudden and unexpected and Nepal's administrative resources so meagre to meet the new situation that assistance of a few senior civil servants was requested from the Government of India. Consequently, three Indian Advisers, drawn from the Indian Civil Service, were loaned by the Government of India to Nepal. They assisted the Government of Nepal in the early days of transition in preparing Nepal's first Budget

for the fiscal year 1951-52, and in drafting the basic laws such as the "Interim Government of Nepal Act, 2007" (1951).

In July 1952, the Government of India sent at the request of H.M.'s Government a Commission, popularly known as the 'Buch Committee', under the chairmanship of Late Mr. N.M. Buch, I.C.S., Joint Secretary to the Government of India, to make an appraisal of Nepalese administration and making recommendations to H. M.'s Government of Nepal for a comprehensive reorganisation of its administrative structure. The Buch Committee's report was accepted in principle by H.M.'s Government of Nepal in 1953, and several of its recommendations were adopted. The Buch Committee's recommendations, as accepted and implemented by H.M.'s Government, related mainly to the number of Ministries, their internal organisation, and the allocation of Government business among them.

The first indigenous effort to reorganise the administration in a systematic and comprehensive or on an "all-fronts" manner was made by H.M.'s Government in July 1956, when a high-level Administrative Reorganization Planning Commission (ARPC) was appointed by the Government with the Prime Minister as the Chairman. The membership of the Commission is composed wholly of senior civil servants and primarily of the Secretaries to the Government. Besides the Secretaries, three members were nominated on the basis of their individual aptitudes. Two of these are young officers trained in public administration abroad.

The Commission formulated its own terms of reference covering broad aspects of public administration in Nepal and outlined its programme of work and priorities. The Commission received considerable support from its first chairman, Hon'ble Tanka Prasad Acharya, and was able to do considerable amount of business in its first year of existence. The Commission drafted Nepal's first Civil Service Act and Civil Service Regulations under the Act, and these were promulgated in August 1956 and November 1956 respectively. One of the earliest recommendations of the Commission was for the establishment of an O & M Office, which was created in July 1956 and located in the Ministry of Finance⁸. The Commission also approved the adoption of a Secretariat Manual prepared by a few senior civil servants on their own initiative. Programmes for training senior and junior civil servants in public administration were also recommended by the Commission. The detailed plans for the setting up of an Institute of Public Administration and a Clerical Training Centre have been approved by the Government. Seminars on various aspects of public

8. O & M Office has been transferred to Home Ministry w.e.f. September 18, 1958.

administration with special reference to Nepal have been already started with the assistance of U.N. experts under the auspices of the Institute of Public Administration which was formally declared open by His Majesty the King on February 18, 1958, Nepal's National Day.

The Civil Service Act, 2013, visualises the constitution of a Nepal Administrative Service (NAS) and several other services on a functional basis. Rules for the constitution of the NAS, also drafted by the ARPC, lay down, in detail, a procedure for preparing a list of eligible candidates in order of seniority to be determined by both merit and length of service, 'weighted' almost equally. Interviews of all the civil servants of 'gazetted' rank were completed almost a year ago by the two Boards as provided for in the Rules of the Constitution, of the NAS, and information regarding their academic qualifications, length of service etc. called for by the Boards on prescribed forms. The results, however, are awaited.

With the announcement of the results, the Nepal Administrative Service and the Nepal Foreign Service would be constituted. Then the formation of the remaining services, mainly technical, such as the Nepal Education Service, Nepal Health Service, Nepal Forest Service, Royal Palace Service, etc., will be taken up. Upon the constitution of all these services, the new pay scales as recommended by the ARPC and already approved by the Government, will also come into force. With these measures a framework for public personnel management in Nepal would be laid on a sound footing.

The Commission has already prepared its recommendations with regard to the structure of the administrative machinery both at the Centre and in the Districts. A plan for districts reorganisation prepared by the Commission has already been accepted in principle by the Government. Details of its working have also been more or less completed, and a Manual for *Bada Hakims* (District Governors) also prepared. The Commission has yet to finish its work in the important field of financial management. A few reforms in budget preparation were initiated by the O & M Office in cooperation with the Division of Budget and Expenditure of the Finance Ministry two years ago. But the tasks of working out as well as implementing the details of a satisfactory budget, accounting and audit procedure still remain to be finalised. Also all necessary forms and manuals will have to be prepared. Considerable improvements, it is felt, will be required in both the organization and procedures of financial management in His Majesty's Government of Nepal.

The ARPC would appear from its composition to be more or less a permanent body, especially in view of its special advantages as a

high-level body within the Government. The Commission could usefully provide a permanent forum for the Secretaries to His Majesty's Government to discuss common administrative problems, with a view to finding their solutions and improving all levels of administration as a whole. Its potentialities are great, though obviously the effectiveness of the Commission would largely depend on the support that it would receive from the Prime Minister in particular and the Government as a whole. The original conception, however, was that the Commission would make recommendations for laying the basic framework for sound public administration in Nepal, and after the spadework would have been done and the foundations laid and its job completed, the task of initiating and carrying on the process of "*continuous reorganisation*" would be taken over by the O & M Office.

RECENT DEVELOPMENTS

The period since the end of the Rana regime has been a period of several political experiments at the level of the Government. As corollaries to the political formulas, there have also been some administrative experiments. Thus King Mahendra's Royal Proclamation of July 26, 1957, which installed Dr. K. I. Singh's Cabinet in power, visualised the creation of three high-level agencies to advise and assist the Government. These agencies, namely the *Rashtra Parishad* (State Council), *Karya Shighra Karak Samiti* (Work Expediting Committee), and the *Yojana Mandal* (Planning Council) have since then been created under specific Acts.

The *Rashtra Parishad* has been constituted under the "*Rashtra Parishad Ain, 2014*" which came into force with immediate effect on November 11, 1957, with the objective of advising His Majesty the King on such matters as may be referred to it by His Majesty. The *Parishad* may also take initiative in tendering its opinion to His Majesty on any matter which may have bearing upon the country's peace and prosperity, defence, and administration. According to the Act the *Parishad* shall be composed of a Chairman with membership up to six members. Its members shall be appointed by the Red Seal of His Majesty the King, and serve at the pleasure of His Majesty, normally for a term of five years. The Prime Minister and the Chief Justice shall serve as *ex-officio* members on the *Parishad*.

As constituted at present the *Rashtra Parishad* has His Royal Highness the Third Prince Vasundhara Vir Vikram Shah Deva as its Honorary Chairman and three members. The members of the *Parishad* have been given the status and privileges of the Ministers of the Cabinet. The *Rashtra Parishad* has a secretariat of its own, with a

civil servant as its permanent secretary who has the same status as a Secretary to His Majesty's Government.

Karya Shighra Karak Samiti (Work Expediting Committee) has been formed under the "*Karya Shighra Karak Samiti Ain, 2014*" with five members, one of whom serves as its Chairman. Its members are nominated by His Majesty the King, and are required to serve at his pleasure, normally for a term of three years. The members of the Committee have been given the status and salary equivalent to the Secretary to H.M.'s Government.

The *Samiti's* duties and powers as laid down in the Act, are to see that Government's decisions and sanctions are carried out appropriately and without delay, to expedite matters of public interest, to make recommendations to the Government on how to expedite the execution of Government's programmes, and to assist the various Secretariats in the Royal Palace in matters wherein the *Samiti's* opinion may be asked for. The *Samiti* has been given the authority to correspond directly with all Government offices, and it has been made obligatory upon all civil servants to render all assistance and co-operation to the *Samiti*. The *Samiti* may recommend to the Government to take necessary disciplinary action against any Government servant who may be found to be neglecting his responsibility or who may be found responsible for unnecessary delay in the disposal of his work. The *Samiti* may make its own rules of procedure which when approved by the Government shall have the effect of law. The *Samiti* is required to submit quarterly reports of its activities to H.M. the King and to the Prime Minister.

ADMINISTRATION OF THE FIVE YEAR PLAN

The *Yojana Mandal* or the Planning Council, with the objectives of (i) formulating development plans for raising the standard of living of the people and for making the country self-sufficient, (ii) implementing the development plans, and (iii) tendering appropriate advice to the Government on all matters relating to development, was constituted on January 3, 1958, under the "*Yojana Mandal Ain, 2014*" with H.R.H. the Second Prince Himalaya Bir Bikram Shah Deva as its Honorary Chairman, the ex-Commander-in-Chief and former Minister of State for Planning and Development, General Kiran Shum Sher, as its Vice-Chairman, and four members. The four members are all drawn from the permanent Civil Service and have been since then given the status equivalent to the Chief Secretary to His Majesty's Government. One of the members also acts as the Secretary to the *Mandal*. The members of the *Mandal* will hold office at His Majesty's pleasure normally for a

period of five years. The *Yojana Mandal* will dissolve itself after a period of five years, though His Majesty the King may dissolve it earlier also, if he deems it necessary. The major task of the *Mandal* thus appears to be the implementation of the Five Year Plan, a draft which was published in September 1956 and which was recently approved in its original form by His Majesty the King's Government. The *Mandal* has been given special powers under the Act. Thus in matters relating to the implementation of development plans the *Mandal* may exercise all punitive powers that rest with the Government over all ranks of the Civil Services. The Government may also make special arrangements for the accounting and audit of development expenditure, and amend or repeal the existing law relating to the accounting and audit of Governmental expenditure. The *Mandal* shall also have direct access to all Government offices and papers relating to development work, and shall receive from them periodic reports on the progress of development projects.

The *Yojana Mandal* has formed twenty Committees on various subjects pertaining to development, including a Committee on Administration. Each Committee has two or more members of the *Mandal*, the Secretary of the Ministry concerned, and the head or other officers of the appropriate executive Department. The Administration Committee has the Chairman, the Vice-Chairman, the member-secretary and another senior member of the *Yojana Mandal*, the Chief Secretary to His Majesty's Government, the Home Secretary, the Law Secretary, the Deputy Secretary in-charge of the O & M Office, and the Secretary of the A.R.P.C., as its members. The Committee has not restricted the scope of its deliberations to the administration of the Five Year Plan of development projects only, but very appropriately and for the reason that the administration of the total Government is inextricably tied with the administration of the Five Year Plan, has taken up the work of total administrative reform from the point where the ARPC had left it after the dissolution of Dr. K.I. Singh's Cabinet on October 15, 1957. The Committee has been doing considerable work in drawing up a fairly simple and yet co-ordinated and an effective budget accounting and audit procedure for adoption throughout the Government. The recommendations of the Administration Committee, as of all other committees of the *Yojana Mandal*, embodied in the form of reports, are submitted to the *Mandal* which, after its own deliberations, submits its decisions to His Majesty's Government for approval for implementation.

DEVELOPMENT BOARDS

Most of the country's administrative regulations particularly, those relating to the auditing of government accounts, inherited from

the Rana days, have been felt as a serious handicap in the way of smooth, efficient and expeditious administration, particularly in field of development work. There has also been recently a growing anxiety to keep administrative litigation as much out of the courts as possible. These motives find expression in the Development Boards Act, 2013, as amended twice in 2013 and 2014, as also in the system of Co-operative Services (Joint Funds) and Co-Directorship that was introduced in 1954 to administer Joint Nepal-U.S. Programme and Projects. Under the latter system the funds provided by the U.S. Government in the form of aid for specific programmes or projects and the counterpart funds provided by H.M.'s Government and stipulated in specific programme or project agreements were put in the form of a Joint Account in a bank to be drawn upon jointly by a Nepalese official and his American counterpart designated as Co-Directors. The two Co-Directors were given wide authority regarding the disposal of the funds in the manner they decide between themselves. The system, however, has been recently abolished by an interim agreement between H.M.'s Government and the United States Operations Mission, Nepal, whereby the former American Co-Directors will serve only as technical advisers and all the executive authority shall vest in the Departmental Head of H.M.'s Government.⁹

The Development Boards Act authorises H.M.'s Government to form special Development Boards to administer different development programmes and projects. Such Development Boards shall frame their own rules and regulations particularly about payments procedure and the keeping and audit of accounts, which unless specifically laid down in the Executive Order setting up a Board, will not require Government's approval for being enforced. Development Boards shall be corporate bodies and though sueable in the Court as a "legal person" shall submit their disputes to a mediator as provided in the agreement between the Board and the party, and the decision of the arbitrator shall be binding on both parties. Only in such cases where the aggrieved party feels that the arbitration has been partial and unfair, the Supreme Court may entertain an appeal, and upon satisfying himself that the arbitration has been unfair and illegal the Chief Justice shall appoint another arbitrator to mediate in disputes between a Development Board and any other party.

Thus far H.M.'s Government has constituted the following Development Boards under the Act :

- (1) Cottage, Rural and Small Scale Industries Training and Development Board,
- (2) Timber Corporation,
- (3) Tourist Development Board,

- (4) Village Development Board,
- (5) Regional Transportation Board, and
- (6) Bir Hospital Development Board.

The concept of a semi-independent corporate Development Board has been primarily developed to provide for a convenient vehicle to make better and quicker use of foreign aid received for Nepal's Development Plan. Out of the six Development Boards thus far formed, five have been provided with fixed capital out of the Government's funds and working capital is to be provided out of the Government's annual budget and foreign aid. The Tourist Development Board has not been provided with any fixed capital and it would receive its funds in the form of annual grants from the Budget and foreign aid, if any. The Boards, again, are primarily composed of officials with a Minister as the Chairman, the Director of the related Department as the member-secretary and the Secretary of the Ministry concerned as a member. This arrangement has been obviously made with a view to ensure co-ordination between the Department's regular activities and the Board's programmes. The Act provides that a Board may employ persons as it considers necessary for the due discharge of its duties, or that it may accept the loan of services of the permanent officers of a government or foreign agency. In practice, perhaps owing to the paucity of trained personnel, thus far the execution of the Board's programmes has been done through the departmental machinery. There is therefore need for a clear demarcation between the Ministry and the Board's authority over a Department, so as to avoid the awkward situation in which the Department may find itself serving two masters. The pattern of this relationship, new as it is, has yet to take form. The Development Board is a convenient machinery that is likely to be used more and more with a view to set aside or amend existing administrative procedures particularly relating to personnel and financial management in special areas of development administration, pending the wholesale reform of administration through the government machinery. Care, however, will have to be taken that recourse may not be taken to the mechanism of the Development Boards too frequently, primarily with a view to bypass the provisions of the civil service law relating to recruitment through the Public Service Commission and the severity of the existing accounting and audit procedure. Such tendency will have to be guarded against.

In a Royal Proclamation, broadcast to the Nation, on February 1, 1958, His Majesty King Mahendra Bir Bikram Shah Deva outlined a series of political measures for the country, and one of them related to the constitution of a Council of Ministers without a Prime Minister.

His Majesty himself, or a Minister nominated by him would act as its Chairman. Moreover, the Council of Ministers were to be entrusted with the specific tasks of : (i) implementing the Development Plan, (ii) rendering all necessary assistance for the implementation of the Constitution to be granted by His Majesty to the Nation, (iii) carrying on the day-to-day administration, and finally, (iv) holding the first general elections in the country scheduled to begin from the 18th February, 1959. Accordingly a Council of Ministers, consisting of six members, was formed by His Majesty the King on May 15, 1958. "The Interim Government of Nepal (Fourth Amendment) Act, 2015", promulgated on the same date, amended the original Act of 1951 (2007) to provide for a Council of Ministers with a Chairman, or in his absence, a Minister to be nominated by His Majesty, at its head. In addition to his duties as the Chairman of the Council, he has the portfolio of Finance ; and the other five Ministers have : (i) Law and Parliamentary Affairs ; Commerce and Industry ; Education, Health, and Local Self-Government ; (2) Home ; (3) Transport and Communications ; (4) Foreign Affairs and Defence ; and (5) Food, Agriculture, Irrigation, and Forests.

COORDINATION IN BRITISH LOCAL AUTHORITIES

Chetakar Jha

DIVISION of functions among a number of committees and departments demands institutional arrangements for coordinating the work of all parts of the administrative machine. Functions of a local authority constitute a unity. Education cannot be thought of in isolation from the question of public health which in turn cannot be thought of in isolation from housing, slum clearance, inspection of food stuffs and so forth. Functions are inter-linked to an extraordinary degree. This inter-dependence is illustrated sharply by the problems faced by a local council which is improving either an old built-up area or building up a new one. A proper lay-out of streets is not only desirable for better sanitary purposes or better traffic facilities but it is also equally desirable for better police and fire-fighting services. All the committees of the council have to work in concert if the whole plan of development is to be successfully accomplished at a minimum cost to the rate-payer. All the services required by the community have to be provided before the people are moved into the new area. This demands that every department is working in a manner that there is no waste. The work of all departments must be completed more or less together. If houses are built but cannot be occupied because other services are not provided, the council would lose rents for the period. In order to avoid such a situation all committees and departments have to work constantly in co-operation with one another. Even in normal day-to-day administration, the problem of co-ordination is of paramount importance. The services provided by a council are diverse in nature, scope and extent, but they converge on a point of unity which is the total welfare of the community.

It is a well-known fact that the existence of a number of committees creates serious problems of coordination since each committee tends to develop an *esprit de corps* of its own. This sometimes results in committees acting almost completely independently of one another. Again, the departmental heads who are technical professional experts tend to think too much in terms of their own departments. This also sometimes results in excessive departmentalism which adds to the difficulties of coordination.

II

The problem of coordination expressed in simple language is to ensure that all parts of the administrative machine work in harmony;

that the plan of one committee is not in conflict with that of another; the work of one department does not have an adverse effect on the work of another, and there is maximum of efficiency at a minimum of cost. The last consideration is responsible for what may be called "common services", *e.g.*, finance, engineering, establishment, central purchasing. The existence of these common services creates its own problem of co-ordination. It creates administrative headaches. When one man is in charge of the full sequence of operations that culminates in the service which it is the prime purpose of the organisation to render, the line of authority and responsibility, the line of command, runs unbroken. The existence of 'common services' means that the straight line of command is broken. The Chief Education Officer, for example, is not responsible for the building of schools. Here arises a problem of coordinating the work of the 'common service' with that of the executive lines which it serves. The Chief Education Officer has to draw up the plan of development of education service in close consultation with other departmental heads, such as the Treasurer and Architect. The Chief Education Officer has to explain what is required of the common service departments and also to understand the problems and difficulties of those departments. There must be mutual understanding between them if what may be called psychological cost has to be, as far as possible, avoided.

Thus, it means that if effective coordination is to be achieved there must be arrangements, firstly, for consultation and co-operation among different committees and departments when plans are being prepared by committees; secondly, the council has adequate provision for coordinating all plans and policies into one coherent integrated whole, and thirdly, there are arrangements to ensure that all committees and departments shall work in concert to carry out approved plans expeditiously and at a minimum of cost. Now let us see what methods are used by the council in order to achieve the objectives mentioned above. Consultation and co-operation among committees at the stage of preparation of plans is secured through Standing Orders and General Instructions to committees which regulate the exercise of their duties and powers. The following examples illustrate this : the Standing Order No. 141 (*d*) of the London County Council asks the Town Planning Committee to report concurrently with appropriate committee concerned to the Council on all proposals relating to street improvements, insanitary areas, acquisition or provision of new parks, public gardens and open spaces and all other similar proposals affecting the re-development of London. Then common service committees such as the Finance, the Establishment and Central Purchasing Committees are asked to consult with other

committees when they are preparing plans. This is what is called the method of concurrent reports.

Here differences may arise between committees. The differences between the Finance and spending committees, between the Establishment and employing committees are not unusual. Who should mediate between them? Either it is the whole council or a particular committee, *e.g.*, the General Purposes Committee. In the London County Council, any differences between committees are resolved by the General Purposes Committee. The Coordination Committee performs this task in Manchester. In Birmingham, the Council itself resolves differences between the Establishment and other employing committees.

Joint sub-committees are also used for purposes of coordination. In many cases, they prove extremely serviceable. They sort out issues which affect their parent committees and prepare the ground for them to take decisions on matters which involve them. It is a method of liaison and communications. Joint sub-committees are and should be regarded as tools at the disposal of committees to thrash out details of particular problems in the light of which committees have to take decisions. Such sub-committees are and should be advisory in nature.

The system of liaison membership is another method used by some councils. It rests on the principle that the work of a committee involves the work of another, and, therefore, it is desirable that they should work keeping themselves informed of what is happening in another committee. This can be secured by a deliberate policy under which each committee possesses a certain degree of common membership with a number of 'similar' function committees. This method has been used in Manchester and Birmingham.

Mr. H.R. Page has in "Co-ordination and Planning in the Local Authority" pointed out that if the grouping of committees for this purpose is not perfect it would leave gaps. He is also not satisfied with the Birmingham arrangement where there is only one member common to committees of similar functions. He thinks that one member can have little influence on the policy of a committee.¹ Apart from the fact that he does not state what degree of common membership he thinks desirable, his approach seems to be based on the assumption that liaison membership should be practised on a scale that the common members may be definitely in a position to influence the decisions of the committees. The value of liaison membership lies in the fact

1. H. R. Page, *Coordination and Planning in the Local Authority*, Manchester University Press, 1930, p.197.

that it enables a committee to know what is happening in other committees. It is a medium of communication only and it should be looked upon as such. To have too many members common to committees would remove the ground of having separate committees. In that case there would be no need to have a separate committee each for Education, Art Galleries and Museums. This would result in a reduction of the number of committees which may, in turn, be reflected in large membership of committees. This would be disadvantageous since a committee in order to be able to do its job properly should be a small one. If it is a large one, as Education committees generally are, it would be obliged to have a number of sub-committees and the volume of work before the committee may oblige it to delegate its own authority to its sub-committees. That is, decision will be taken one point further away from the whole council. Besides, this may add to the difficulties of coordination instead of solving them. On all these grounds, Mr. Page's emphasis on "influencing" the policy appears to be misplaced.

There is inter-locking membership in committees in almost all local authorities. In some cases this may be secured by means of Standing Orders, in others this matter would be taken into account by the Selection Committee which recommends names for appointments on committees. The latter practice is generally preferred and even in the case of Birmingham to which reference has been made earlier, the current Standing Orders are silent on this point. Introducing the system of liaison membership by means of Standing Orders would introduce a certain amount of rigidity into the committee structure. The committee structure should be kept as flexible as possible. Any rigidity may be introduced only when the desired objective cannot be achieved otherwise. An analysis of the membership of various committees of the London County Council shows how inter-locking of membership is well achieved without any compulsion by means of Standing Orders. There are two members who sit both on the Parks and Parks (Special) Committees. Similarly there is some common membership between the Children's and the Welfare Committees. It is true that inter-locking of membership in the way it has been done in the L.C.C. is a haphazard one and is not the same thing as liaison membership discussed above. Liaison membership involves a definite principle which is different from the principle which may be deduced from a general method of inter-locking membership. If the inter-locking of membership is done with a view to bringing such committees closer whose functions are more closely inter-related, it is a case of liaison membership. The general method of inter-locking is *per force* achieved since each member of the council usually sits on two or more

committees. The method of liaison membership is more definite, based on a valid principle and, therefore, to be preferred to the other method. The principle of liaison membership should be borne in mind when the Selection Committee is settling the personnel of committees.

The position of the Clerk has to be considered in this connection. He is the channel of communication between committees. He is in a position to know what is happening in other committees. He advises committees and thus helps them coordinate their plans. The departmental head must not be ignored here. He prepares the plans for the committees' consideration. He generally takes all possible care that his plan should be acceptable not only to the committee primarily concerned but all other committees who may have anything to do with that plan. It need not be emphasised that this sort of consultation between departmental heads who advise various committees is a well-known practice in central as well as local administration. Thus when the Chief Education Officer prepares a plan for school building, he consults other departmental heads such as the Treasurer, the Engineer and the Architect.

Should there be some additional institutional arrangement for the discussion of plans by departmental heads before they are presented for the committee's consideration? The Johannesburg City Council in its memorandum submitted to the Transvaal Local Government Commission of Inquiry suggested that "all major proposals should be coordinated *before* they reach the committee stage, preferably by a departmental committee under the chairmanship of the Town Clerk, dealing with matters of machinery as well as policy."² This is a sensible proposal. Such a procedure would help the committees arrive at decisions quickly. There is need for such an institution in large authorities in Britain. Should this departmental committee include all the departmental heads or only those who are concerned with the plan under consideration? The New York City Mayor's Committee on Management Survey suggests that such a Committee should include all heads of departments and their top deputies.³ This suggestion seems to be a right one. It would enable the departmental committee to have the benefit of the experience and advice of all departmental heads. But if their deputies are also included, the committee would be large and may be unwieldy. The departmental committee may, therefore, be composed of only departmental heads.

2. Quoted by L.P. Green in *Public Administration*, London, Vol. XXXIII, Autumn 1955, p.339.

3. *Ibid*, p.339.

There is another question in this connection : who should decide as to what proposals should be considered by this departmental committee ? The Clerk appears to be the obvious person who should decide in consultation with the departmental heads who is responsible for the preparation of the plan. There are informal consultations and conferences between departmental heads in all authorities whether large or small in Britain. What is suggested here is the introduction of an additional institution between the committee and the department levels.

III

What about coordinating all policies into one coherent, integrated whole ? The council is aided by the Finance, the Establishment, the Central Purchasing and the General Purposes Committees. Of these the Finance and the General Purposes Committees are most important.

The General Purposes Committee advises the council on isolated questions of policy and on questions of general administrative arrangements and practices. The Finance Committee advises the Council on apportionment of available resources between the many activities of the council. It thus helps the council to determine priorities and the scales on which different services are to be operated. It coordinates the plans of all committees into one whole from the financial point of view. The Finance Committee performs the job which is done by the Chancellor of the Exchequer in the national government.

In the national government the Cabinet reviews the budget prepared by the Treasury before it is put before the House of Commons. In local councils there is generally no institution like the Cabinet. Thus the Finance Committee, in practice, coordinates the policies of several committees. Professor K. C. Wheare observes : "In local government as in central government coordination and control can come through finance as effectively as anywhere. But it is not enough. It is a limited approach to common problems. Something more comprehensive is clearly needed."⁴ Laski also considers that "coordination through financial control is a wholly mistaken principle unless the view be taken that there is a definite upper limit of desirable expenditure."⁵

Some councils have realised the need for the consideration of major plans by a third committee. In Manchester, the Central and

4. K.C. Wheare, *Government by Committee*, Oxford, Clarendon Press, 1955, p. 199. Also see Page, *op. cit.*, p. 351.

5. H. Laski, *A Century of Municipal Progress*, London, George Allen & Unwin Ltd., 1936, p. 102.

Parliamentary Committee calls for periodic forecasts of expenditure of the various departments and submits them to the Council with its observations and recommendations and the observations (if any) made by the Finance Committee. The General Purposes Committee in Birmingham City Council receives from the several committees of the Council in September every year, and at such other time as may be necessary, particulars of all building and civil engineering schemes (other than schemes for the carrying out of housing, water and sewerage works) which are estimated to cost not less than £5,000 each, and which it is desired to submit to the Ministry of Housing and Local Government for the purpose of obtaining consent to the raising of a loan for the carrying out of any such scheme in the next financial year. The General Purposes Committee considers the schemes proposed and decides the order of priority in which they should be submitted to the Ministry. It reports its recommendations to the committees concerned. This is a development in the right direction. The General Purposes Committee in Birmingham and the General and Parliamentary Committee in Manchester are trying to aid the council to examine various proposals of expenditure from the general policy angle. Of the two, Manchester arrangement is more comprehensive than the Birmingham arrangement.

Is there any committee in the council whose task is to coordinate all the policies into one coherent, integrated whole? In Manchester there is one, the General and Parliamentary Committee which furnishes the Council from time to time with its observations and recommendations upon questions of policy in connection with new projects of a substantial character or substantial extensions of existing services. Every other committee of the Council is advised to submit any proposal to embark upon a new policy or to extend the operation of an existing policy to the Council through the General and Parliamentary Committee. In Manchester, thus, we find a development which provides for the examination and consideration of major plans of work in relation to one another not only by the Finance Committee but also by one which may be considered a Policy Committee. It is doing the job done by the Cabinet in the national government, though the analogy cannot be pushed further.

The General Purposes Committee in the London County Council confines itself generally to matters of administrative policy such as the general arrangements for the conduct of the administrative work of the Council and its committees and departments. It examines committee structure, orders of reference to committees and Standing Orders. In addition, it has examined such broad questions as employment of married women, standard form of general conditions of

contract for works of civil engineering construction. In addition to matters which relate to administrative policies such as those mentioned above, it also discusses, sometimes, isolated questions of general policy such as the Council's policy about the patronage of the works of art. The General Purposes Committee suggests the Council to earmark annually a sum of money which would be available for the acquisition and commissioning of works of art both for schools and council houses.⁶ This matter had originated in a question asked of the Leader of the Council if he would make a statement on the Council's policy regarding the acquisition of the works of art.⁷ The General Purposes Committee has, at times, suggested other committees to set up a joint special committee to study and make recommendations on the best possible way of carrying out a service. In 1953 it suggested the Children's Education, Health and Welfare Committees to set up such a joint special committee to recommend the best way to secure co-ordination of their welfare work. It is responsible for promoting bills in Parliament. Thus whenever any committee desires anything which involves legislative action by the Parliament, the General Purposes Committee steps in. It discusses the proposal of the committee concerned and advises the Council as to what may be done. There are a whole lot of miscellaneous functions entrusted to this Committee. But it does not discuss the proposals of any committee which wants to embark upon a new policy or extend and expand an existing one unless it involves administrative arrangements or legislative matters or relations with any outside authority. Thus it would not sit to examine the proposal of the Education Committee either to introduce comprehensive school system or to abandon it. Such matters are considered as development of a specific function and are a responsibility of appropriate committees. It would, thus, appear that the General Purposes Committee of the London County Council does not go so far as the General and Parliamentary Committee of the Manchester City Council. This may be considered a weakness in an otherwise extremely well-organised system of the London County Council. This weakness is made up by the existence of the Policy Committee of the Labour Group on the Council which would be discussed later.

The Liverpool City Council entrusts the task of considering all questions of principle and matters connected with the various activities of the corporation in which more than one of the standing committees are or are likely to be concerned, to its Finance and General Purposes Committee. Matters of principle or policy which

6. Minutes of Proceedings of London County Council, May 1, 1956.

7. *Ibid.*, November 2, 1954.

have arisen from time to time include questions (a) where uniformity of practice is desirable, (b) where the action taken is likely to be regarded as a precedent, (c) where there is any proposed departure from an existing practice, and (d) where there are conflicting interests of two or more committees. The following matters which have been considered by the Finance and General Purposes Committee in the past illustrate the sort of questions considered by the committees :

- (1) The extension of the practice of carrying out works required by the Corporation by direct labour instead of utilising the services of private contractors.
- (2) The establishment of a central purchasing organisation.
- (3) The letting of public halls controlled by the Corporation on Sundays for political purposes.
- (4) The enforcement of conditions in Corporation contracts relating to the employment of Liverpool residents only by contractors engaged on works within the City boundary.

The above-mentioned matters illustrate that the Finance and General Purposes Committee discusses what may be called administrative policies.

The general situation, however, is unsatisfactory in the sense that all councils do not have a committee to examine all matters of major importance as there is one in Manchester. In the absence of such a committee it is left for the council itself to perform the task of coordinating all its policies. This deficiency is made up by the existence of well-organised political parties. The two major political parties of the country control a great majority of local councils between themselves. Every local political group fights elections on the basis of well-defined programme. There are broad declarations of what a party would implement if returned in majority. Every political group has a small group of members who decide as to what stand the group should take on individual matters. The Labour group has a Policy Committee which examines all matters of policy in the first instance. They are then discussed and ratified by the whole group. The Policy Committee is generally composed of the leader and deputy leader of the whole group, chief whip, two junior whips, group secretary and three other members of the group. In the London County Council, the Labour Policy Committee consists of the leader of the Group, the Chairmen of Committees together with the Chief Whip and four junior whips—all elected by the whole Labour group. This Policy Committee performs the task of coordinating the policies of the Council.

The leader of the majority party is officially recognised as the Leader of the Council in the London County Council and the Liverpool City Council. He has the special responsibility of coordinating the policies of the Council as a whole. In order to keep himself free to devote his time and energies to the work of coordination he is not the Chairman of any committee in the London County Council. "His real work", says Professor W.A. Robson, "within the Council is to organise, to coordinate, to give unity and stimulus to the majority party. He has to keep a watchful outlook for matters of policy which are likely to give trouble or put the Council or the dominant party in a difficult corner; and above all he must keep his hands on the big questions of principle with which the Council has to deal, or ought to deal."⁸ Every Labour group has a leader who may not be officially recognised in the Council's Standing Orders and his duties are similar to those of the Leader of the London County Council.

IV

Now we come to what may be called the executive stage. There is the need to ensure that all committees and departments shall work in concert in the carrying out of approved plans. Here we come across another weakness in the system. There is no committee whose job it is to see that all approved plans are being carried out with reasonable speed. It is the job of each committee to see that its plans are implemented. There is in some places provision for resolution of differences between committees. The General Purposes Committee in the London County Council, for example, does this job. The Council itself performs this job of supervising the work of its several committees. Each committee submits periodical reports—in some cases every six months, in others once every year. This is not quite satisfactory. It is a long period. If anything has gone wrong it would be discovered after months when it may be too late to catch up with the schedule. A three-monthly report on the progress of work, therefore, may be insisted. This report may be a brief one telling the council whether the work is going ahead according to schedule or not. The report should give reasons if the work is not going ahead according to schedule. The half-yearly or the annual report should be a fuller one. This alone appears to be feasible because giving power to one particular committee to supervise the work of other committees would be resented by committees.

In connection with the question of supervision, the role of the Clerk may be considered. Should he be given authority to watch the

8. William A. Robson, *The Government and Misgovernment of London*, London, George Allen & Unwin, 1948, pp. 346-347.

progress of work being carried out by various departments? At present every departmental head reports progress to the committee concerned. The Clerk through whom every report passes knows what is going on and how it is going on. In some cases the work may be held up because some committee, the Central Purchasing Committee, for example, has not disposed of the matter. Here all that the Clerk can do is to impress upon the Committee Chairman the need to dispose of the matter quickly. But what should be done when the work is suffering on account of laziness or incompetence of a departmental head? At present the Clerk's help is sought by the departmental heads in such cases. The Clerk exercises what may be called persuasive influence. In Indian local bodies, the Chief Executive Officer has authority to intervene in the departmental working and order the departmental heads as he thinks proper. In British local councils, the Clerk does not have such authority. Mr. Keith-Lucas in his lecture to the Nalگو Summer Conference in Oxford in 1955 said, "I am doubtful whether anything of that sort is really necessary. I believe that as things are today, by virtue of his position as Town Clerk, he has an influence over his colleagues which would not really be enhanced by giving him official power to interfere. If you come to that state of conflict between the Town Clerk and one of his colleagues, that the Town Clerk has got to walk into the other man's department and interfere with the administration, one of them had better resign pretty quickly". This is the attitude of one who has himself been a local government official and is now a Councillor. But the need has been realised for strengthening the position of the Clerk in regard to general administrative arrangements of the council. The Policy Advisory Committee of the Coventry City Council, following the advice of the H.M. Treasury O & M team which investigated the organisation of the Council, advised the Council to formally allocate to the Town Clerk, as the Chief Administrative Officer, the following responsibilities :

- (1) To take a continuing interest in the effectiveness and economy of all administrative arrangements throughout the Corporation;
- (2) To ensure that administrative activities with which two or more Departments are concerned are effectively coordinated;
- (3) To furnish an O & M service for all Departments;
- (4) To maintain a broad view of the balance and effectiveness of arrangements made to carry out the policy laid down by the Council and to bring to the notice of Departments (and if necessary Committees) the need for any change;

and that for the performance of these duties the Town Clerk be responsible to the Establishment and General Administration Committee.⁹

This shows growing realisation of the need to make the Clerk responsible for general administrative efficiency of the whole machine. The Clerk is gradually acquiring formal power to keep a watching eye on the working of the entire machine.

V

This brings us to the question of general organisation which is of utmost importance. Many councils have come to realise the need for entrusting the duty in regard to over-all administrative arrangements to one particular committee. In the London County Council and the Birmingham City Council it is the General Purposes Committee. Manchester has a committee called the Coordination Committee for this purpose. This development of entrusting the work in regard to broad administrative arrangements has enabled the Council to see that all parts of the machine are brought into proper relationship with one another and are coordinated and working to a common end. The need for a good committee lay-out, a good departmental lay-out and a continuous watch on the administrative organisation can never be over-emphasised. A good committee structure reduces the scope of overlapping to the minimum; so does a good departmental lay-out. That solves the problem of coordination to a great extent.

Thus we find that a number of devices are used to secure effective coordination in administration. The biggest councils have and are giving much attention to the problem of coordination. Devices used for this purpose may be grouped into three classes. One group includes Standing Orders and Instructions to Committees. Much is achieved by carefully-framed Standing Orders. They, in some places, nominate certain chairmen as *ex officio* members of certain committees. They prescribe common procedures for the purchase of civic lands, and for the breaking open of highways. The Instructions to committees have a similar effect, *e.g.*, they may limit the sums that committees may spend without prior approval of the Finance Committee, or detail the matters where certain other specified committees must be consulted. The effectiveness of Standing Orders is, however, a function of the effectiveness of the Clerk's department. The second group of devices depends on the duties allocated to what are called 'Common Service'

9. *Public Administration*, London, Vol. XXXII, Spring 1954, p. 94.

committees such as the Finance, the Establishment, the Central Purchasing and the General Purposes Committees. The third group includes such devices as liaison membership and joint sub-committees.

All these devices are complementary to one another and they are all used by local councils. The degree of the use of each device varies, as is natural, from council to council. The determination of the degree of the use of each device is generally a responsibility of the committee which is entrusted with the task of looking after the over-all administrative arrangements of the council. This committee is guided by its experience and local problems. The Clerk is its principal adviser.



CORRESPONDENCE

I

Role of Advisory Bodies in Government

*The Editor,
I.J.P.A.*

Sir,

Shri R.C. Dutt, in his illuminating article on "Hearing and Consultation Procedure in Public Administration" published in the last issue of the *Journal* (Vol. IV, No. 3, for July-September 1958) has rightly pin-pointed the importance of the consultative bodies in the formulation and implementation of Government policies and programmes, in particular those relating to planning and development. But he does not tell us what the Government of India are doing to plan and control the growth, development and proliferation of the advisory councils and committees and to enhance their effectiveness. These consultative bodies are multiplying rapidly, like rabbits, as once Mr. Churchill put it in relation to his country. No week passes without our hearing of the establishment of this or that advisory council or committee. Their role is also becoming increasingly important in the context of the changed character, scope and content of governmental activity.

Shri Dutt classifies the objects of the advisory bodies into two categories: (a) obtaining expert advice; (b) eliciting representative opinion of interested parties and association and participation of the people in the administrative process. He is further quick to point out that "a great majority of the consultative bodies are, however, neither purely expert committees, nor purely representative. They consist of both these elements the object being to provide

a balance between the specialised requirements of modern administrations and the representative character of democratic Government."

One is naturally tempted to ask:

(1) "Do the Central Government Departments have, before them, when they decide to set up a new consultative body, full and comprehensive information regarding the number, functions, size and composition and rules of procedure of all advisory councils and committees already existing in the Government?"; (2) "Has the Government worked out for their own guidance any criteria, based on an appraisal of the past experience and results, to determine the extent to which the elements of expertise and representation should be combined together in a certain advisory committee or council to be set up?"; (3) "Has the Government evolved any model standards and rules about the size, business procedures, etc., to ensure and improve the effectiveness of consultative bodies?" So far the present writer is aware, the answer to all these three questions is in the negative. In the absence of the above-mentioned information, criteria and standards, is it not likely that the functions of some of the advisory bodies overlap and that the advisory councils and committees at times tend to 'window-dress,' 'delay' and 'nullify' certain policies and programmes of a government department? A study in 1955 of the similar institutions in Great Britain revealed that "The tendencies to delay, to postpone, to avoid, and to compromise are apparent in almost all the types of committee. . . . Responsibility is difficult to discern in a many-headed

institution; too easily a committee becomes a screen or a shield."¹ The situation in India can obviously be not much different, especially in the light of the recent tendency of government departments to proliferate heavily. The use of advisory committees here in a way tends to strengthen the hands of officials to disregard public opinion. Through them officials have the opportunity to 'noble' their expert and influential potential critics.

I would therefore venture to suggest the appointment by the Government of India of a committee to inquire into the objectives, functions and composition, etc., of the great maze of the advisory bodies which we have come to have today with a view to their rationalization and the formulation of model standards and guide-lines for future. As the advisory bodies draw considerably upon the non-official sector, it would be advisable to include in the committee of inquiry a few non-official representatives of the people. The need for such a committee hardly requires further elaboration, considering the educative and participational role of these institutions in stabilizing and deepening the foundations of a democratic form of government in a Welfare State which India is today. The advisory bodies today "fulfil the general purpose of keeping official practice in close touch with public opinion and preventing the evolution of a departmental world which is out of relation to the facts of real life. They help the official to understand the feelings (not excluding the prejudices) of the public, and the public to appreciate the restrictions (not all of them self-imposed) to which the official is subject."²

A good deal of the preparatory

study in the matter can be usefully undertaken by the Central O & M Division; this should obviously help the committee of enquiry, if and when set up, to finish its task with speed and effectiveness.

Yours faithfully,
New Delhi, H.C. Mathur
November 25, 1958.

* * *

Shri R.C. Dutt has, in his reply to the Editor, pointed out that the object of his article was mainly to bring out the position which consultative bodies hold in modern administrations and to emphasise the reasons for their importance. The greater part of the article dealt with the subject in a general way; the Indian experience was drawn upon by way of illustration only. The only conclusion arrived at was that the consultative bodies in India had helped to keep the administration attuned to public opinion; and, in the general sense in which it was meant, this conclusion is justified. *Shri Dutt* thinks that *Shri Mathur's* letter is, in essence, an extension of the same line of thought.

Shri Dutt further points out that the decision whether or not to set up an advisory council with regard to a particular function of Government is taken more on the basis of the nature of the functions and the need for advice, expert or otherwise, than on a general appraisal of the experience with regard to other advisory bodies. Model rules are hardly suitable where requirements vary with individual cases. Without underestimating the need for a general appraisal, *Shri Dutt* suggests that this could be undertaken as a subject of study by the I.I.P.A. itself rather than by a committee of the nature suggested by *Shri Mathur*.

1. K.C. Wheare, *Government by Committee—An Essay on the British Constitution*, London, Oxford University Press 1955, p. 253.

2. *Advisory Bodies—A Study of their uses in Relation to Central Government*, 1919-1939, Ed. R.V. Vernon & N. Manserg, London, George Allen and Unwin, 1940, pp. 436-437.

II

The Problem of Administrative Tribunals

The Editor,
I.J.P.A.

Sir,

I have carefully read the article "The Problem of Administrative Tribunals" by *Shri N.K. Bhojwani* published in the Indian Journal of Public Administration for April-June 1958. There are certain observations made by the author in the article which need clarification.

There is no doubt that administrative tribunals have been constituted to promote good administration. The ordinary courts are unfitted to deal with cases involving specialised knowledge. Moreover, the courts burdened with ordinary rules of evidence cannot act quickly. Administrative tribunals in a Welfare State have become a permanent part of our constitutional system. The author of the article recommends the curtailment of the writ powers of the High Courts and the Supreme Court in order to free the administrative tribunals from judicial control (p. 182, Vol. III, No. 3). This is being proposed in the interest of speed and good administration. It is not easy to concur with this view. Administrative tribunals are not to be regarded as mere appendages of Government Departments. Citizens should enjoy a general right of appeal to High Courts and the Supreme Court against decisions of tribunals on jurisdictional facts or on questions of law by *certiorari* or prohibition. That is to say proceedings of administrative tribunals should be liable to be reviewed and their decisions quashed by the Court if it can be shown that the members of the tribunal did not hear the case with an open mind or had prejudged the issue; or that they had exercised their powers to promote unauthorised

purposes; or had been influenced by improper motives of extraneous considerations. This was also the finding of the Committee on Administrative Tribunals and Enquiries, U.K., 1957.

The author of the article again has not made himself clear in explaining the extent of judicial control in England and U.S.A. This needs further elucidation. It will be wrong to suppose that judicial review in England is totally barred in the absence of statutory provisions. It is effected, in the words of Atkin L.J., in *R.V. Electricity Commissioners* (1924) *I.K.B.* 17, through the prerogative writs. Of course, the extent of judicial control in U.S.A. is greater as compared to that exercised in England. In England, as Sir Cecil Carr has pointed out, 'The administrative tribunal would find the facts and the courts would not interfere unless the evidence or the perversity of the finding required them to intervene' [Concerning English Administrative Law (1941), p.108]. Similar observation was made by the Committee on Ministers' Powers: 'while we are of opinion that there should be an absolute and universal right of appeal to the High Court on any point of law from the judicial decision of a Minister or a Ministerial Tribunal, we are satisfied that there should as a rule be no appeal to any Court of Law on issues of fact' (Report, p. 108). 'Law' and 'fact', are, however, not mutually exclusive categories that stand wholly apart. The judicial review in America involves review of facts as well to a limited extent, i.e., the Court is not concerned with weight of the evidence; it has to ascertain whether there is sufficient evidence to support the administrative finding. In England an

administrative finding without any evidence will be held *ultra vires* by the Courts and so the rule of finality for administrative fact findings is subject to the 'no-evidence rule', which is somewhat akin to 'substantial rule' in U.S.A. The basis of judicial review of jurisdictional facts both in U.K. and U.S.A. is to prevent the arbitrary exercise of power by the Executive. In the words of the Supreme Court of U.S.A., in *St. Joseph Stock Yards Co. V. United States* [298 U.S. 38, 52 (1936)], "To say that their (tribunals') findings of fact may be made conclusive where constitutional rights of liberty and property are involved, is to place those rights at the mercy of administrative officers and seriously to impair the security inherent in our judicial safeguards. That prospect, with our multiplication of administrative agencies, is not one to be lightly regarded."

Of course, the courts in U.K. cannot challenge the law of the Parliament which is supreme, while courts in U.S.A. can challenge not only the statute but also the administrative decision.

I am,

Yours faithfully,

Delhi, *Ramesh Narain Mathur*
September 24, 1958.

* * *

Sir,

Dr. R. N. Mathur has sought clarification on certain points made by me in my essay on "The Problem of Administrative Tribunals".

The first relates to the writ powers of the High Courts and the Supreme Court. He has understood me to have recommended a curtailment of these powers in order to free Administrative Tribunals from judicial control. This is obviously a misunderstanding because I have stated

on the contrary that "it would be premature at this stage to amend the Constitution" (p. 182) and that "an amendment of the Constitution to curtail the powers of the High Courts or the Supreme Court or both in regard to administrative authorities and Tribunals would be justified only if experience of the working of adequately constituted Tribunals compels it." (p. 181). *Dr. Mathur* and I thus seem to share the same views.

The second clarification sought by *Dr. Mathur* is in regard to the extent of judicial control in England and the U.S.A. The article made a reference to this point rather casually because neither its purpose nor my competence permitted a full discussion of it. I have treated the problem of Administrative Tribunals as one of public administration rather than as one of law and it would have taken me beyond the scope of the paper to include in it a discussion of the extent of judicial control over administrative action in other countries even if I had been qualified to do so. I am, however, grateful to *Dr. Mathur* for making some very useful observations on this subject.

Yours faithfully,

New Delhi, *N. K. Bhojwani*.
December 30, 1958.

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Note by the Editor

The following extracts from the Committee on Administrative Tribunals and Enquiries, H.M.S.O., 1957, will be of interest :—

"An appeal to the courts on matters of fact would not, we think, be desirable since it would constitute an appeal from a body expert in the particular subject to a relatively inexpert body. In the absence of special considerations we consider

that the ideal appeal structure for tribunals should take the form of a general appeal from a tribunal of first instance to a second or appellate tribunal. By a general appeal we mean an appeal on fact, law or merits." (para 105, *Report*).

.....

.....

"We are firmly of the opinion that all decisions of tribunals should be subject to review by the courts on points of law. This review could be obtained either by proceedings for *certiorari* or by appeal. If, as we recommend, tribunals are compelled to give full reasons for their decisions any error of law in such a decision would subject the decision to quashing by order of *certiorari* in England, and it is now clear that the fact that the decision of the tribunal may be expressed in the statute as "final" does not oust this jurisdiction.....an application to quash a decision on this ground is quite different from an appeal on a point of law. In the former case the court can only quash the decision, while in the latter case the court may substitute, or in effect substitute, its own decision. Again, in the former case, the court must find the error, if it can, on the face of the record; it cannot look at anything else. In the latter case the court can in addition look at the notes of the evidence

given before the tribunal if the point of law is whether there was evidence on which the tribunal could in law have arrived at its decision. An appeal on a point of law is therefore wider in scope. For all these reasons we recommend that review by the courts of decisions of tribunals should in general be provided by making the decisions subject to appeal on points of law." (para 107, *Report*).....

"Whatever may be decided as to the scope and method of appeals to the courts from tribunals we are convinced that the remedies by way of orders of *certiorari*, prohibition and *mandamus* should continue. They are clearly necessary in cases where questions of jurisdiction are involved and in cases where no provision is made for appeals on points of law."

* * *

The point of disagreement between *Dr. Mathur* and *Shri Bhojwani* is not one of practical or immediate importance; their only difference is that while *Dr. Mathur* is, in effect, opposed as a matter of principle to the extinction of the powers of judicial review under any circumstances, *Shri Bhojwani* would leave the issue open until administrative remedies are provided and tried for some years.



RECENT TRENDS IN PUBLIC ADMINISTRATION IN INDIA

An important recent development in the field of recruitment was the Central Government's decision to constitute a pool, with an initial strength of 100, for temporary placement of well-qualified Indian scientists and technologists returning from abroad, until they are absorbed in suitable posts on a more or less permanent basis. Persons with Indian qualifications and outstanding academic record may also be considered for appointments which would not ordinarily exceed 25 per cent of the total number. The 'Pool' personnel will be attached or seconded to a Government department or a State industrial enterprise or other organisations including private industrial establishments. The controlling authority of the Pool will be the Council of Scientific and Industrial Research; it will be advised by an 18-man committee. Selection will be made by a special recruitment board consisting of the Chairman or a Member of the Union Public Service Commission, one representative each of the Ministry of Home Affairs and the Council of Scientific and Industrial Research, and three scientists and technical men to be nominated each year in consultation with the Union Public Service Commission.

The recently issued Union Public Service Commission (Exemption from Consultation) Regulations, 1958, provide that, in the case of temporary or officiating appointments which are not likely to last for more than a year and which must be made in the public interest immediately and the reference to the Commission will cause undue delay, (1) "if the appointment continues

beyond a period of six months, a fresh estimate as to the period for which the person appointed is likely to hold the post shall be made and reported to the Commission" and (2) "if such estimate indicates that the person appointed is likely to hold the post for a period of more than one year from the date of appointment, the Commission shall immediately be consulted in regard to the filling of the post." The new Regulations also extend the exemption from consulting the Union Public Service Commission to inter-Service transfers of officers holding quasi-permanent appointments; the new Regulations, however, make the exemption, as a whole subject to the proviso "save as otherwise expressly provided in the rules governing recruitment to the civil service or the civil post concerned."

In *Punjab*, the Government has decided that the State Public Service Commission will hold combined examinations for recruitment to similar posts and services in the State. Ten groups, covering 40 categories of posts, have been formed for purposes of such combined recruitment. A separate examination will be held for each of the 10 groups. Candidates, who happen to secure high places in the merit list of a group, for instance, that of the Punjab Civil Service (Executive Branch), 'A' Class Tahsildarship, etc., but are not taken into the Punjab Civil Service because of limited vacancies in that service, might henceforth be offered 'A' Class Tahsildarship or other posts placed in succession in the group.

* * *

Further progress has been made in regard to the establishment of the proposed National Academy of Administration. It has been decided to prescribe a concentrated course of four months' common training in basic non-professional subjects for fresh entrants to the All-India Services and the Central Services, Class I, viz., the Indian Foreign Service, Indian Audit and Accounts Service, Indian Customs and Excise Service, Indian Income Tax Service, Indian Defence Accounts Service, Transportation (Traffic) and Commercial Departments of the Superior Revenue Establishment of Indian Railways and the Indian Railway Accounts Service and the Indian Postal Service. The course will be conducted at an institution to be named 'The National Academy of Administration' to be located at Mussoorie. The syllabus for the course will include : (1) The evolution of the modern Indian State as a democratic, secular and welfare State; Survey of main currents of Indian History; political, economic and social; Interplay of world forces—Asian and European. (2) The Constitution of India—its evolution, basic principles and main provisions; Parliamentary democracy—its postulates and implications; Central and State Governments—their relationship. (3) Public Administration—principles, organisation and procedures; Machinery of Government—Central Ministries and Departments, Local Self-Government, public corporations and other semi-autonomous bodies; Public services—ideals, attitudes and code of conduct. (4) Indian Economy—policy development and administration; Public Finance—policy, budgeting, fiscal legislation and administration; Public enterprises. (5) State and the Social Services—Sarvodaya—Gandhian philosophy, Welfare State; Socialism; Social services, social security and social welfare, industrial relations and trade unions. (6) Science and tech-

nology—impact on economy, administration and social institutions in general, with particular reference to Indian conditions. (7) General subjects like Linguistics (the science of languages) along with the common features of various languages prevalent in India, statistics, population trends according to census reports, Indian culture and recent history of progress in science, arts and literature.

The Union Ministry of Labour and Employment has started a pilot project in the training of secretariat staff in supervisory techniques based on Training Within Industry principles—'job instruction' to train the supervisor in regard to instructing the subordinates about work; 'job methods' to enable the supervisor to analyse and improve the existing methods and procedures of work; and 'job relations' to develop in the supervisory personnel correct attitudes for proper handling of the human element in administration. These three programmes of Training Within Industry have been adapted to the particular needs of central government offices. By December 15, 1958, 83 supervisors—first and second level supervisors from below, viz., section officers, assistant directors, etc.—had participated in the 'Job Instruction' programme, 78 in the 'Methods' and 81 in the 'Relations.' The experiment in supervisory training for office personnel promises good results by way of higher efficiency. The training is being imparted by *Shri A.P. Veera Raghavan*, Under Secretary, who has been specially instructed for the purpose. The Ministry of Labour and Employment has also been running a Training-Within-Industry Centre at Bombay since 1954. Training Within Industry has been introduced in about 200 firms covering a wide range of industries both in the public and private sectors, such as textiles, iron and steel, electricity, glass, cement,

rubber, chemicals, heavy and light engineering, defence undertakings, railways, posts and telegraphs, etc. About 40,000 industrial supervisors have been trained in all the three Training-Within-Industry programmes.

The National Development Council at its recent meeting urged the State Governments to organise training programmes for village leaders who work with village panchayats and co-operatives and for young men in rural areas who could serve as secretaries of village institutions. The Co-ordination Committee, consisting of the Union Ministers of Food and Agriculture and Community Development, has decided that senior officers of Agriculture Departments in the States, particularly the Directors of Agriculture, should actively participate in the training programme of *Gram Sahayaks*. The second orientation course, at the Central Institute for Study and Research in Community Development (October 2-November 2), was attended by four non-officials—the Parliamentary Secretary, Union Ministry of Community Development, and three M.L.A.s from Kerala, Mysore and Andhra Pradesh—and 28 officials drawn from States and Union territories. Its syllabus included philosophy, concepts and objectives of community development; evolution of a socialist programme and of democracy; problems of under-development in Indian rural communities; techniques of community development, including methods and processes; public administration and the transformation of the law and police State into a welfare State; and certain selected facets of the programme, such as agriculture and allied subjects, co-operation, village industries, public health and sanitation. The Central Council of Local Self-Government, at its fourth meeting held at New Delhi from October

27 to 29, recommended *inter alia* the establishment of an institute for training officers holding supervisory posts in local bodies.

Bombay has set up a 15-member State Council for Training in Vocational Trades to advise the State Government in carrying out the training policies laid down by the National Council and to coordinate the vocational training programmes throughout the State. The Government of Madras has appointed a four-member committee to suggest ways and means to improve the content and quality of training given by the institutions set up in the State under the community development programme.

* * *

The Central O & M Division is at present engaged in carrying out a general review of its work during the last four years under its new Director, *Shri K. P. Mathrani, I.C.S.* Work in the Union Home Ministry has been reorganised to avoid duplication. Sections in the Home Ministry will, in future, be under the charge of either a Deputy Secretary or an Under Secretary and not of both as at present; and files from any one section will therefore not have to go to both the Under Secretary and the Deputy Secretary. An interesting experiment in expediting disposal of work is under way in the Ministry of External Affairs. Initial noting on the files is made either by the Under Secretaries or by the Deputy Secretaries (and not by Assistants) who send the files direct to the Joint Secretaries or the Secretaries.

In *Madhya Pradesh*, the Government has set up a five-member committee for the evaluation of the progress of the national extension service and community development programme in the State. Further, an

Organization and Methods Branch has been set up in the General Administration Department of the State Secretariat. Its functions include advice on departmental structures, staffing and training arrangements and improvement of procedures. The O & M Branch is headed by *Shri K. Radhakrishnan, I.C.S.*, Additional Chief Secretary, who has also been entrusted with the work of investigating the causes of the increase in non-development expenditure and of suggesting means of securing economy consistent with administrative efficiency. The *Bombay State Transport* has decided to apply work study techniques to rationalise its methods and procedures of work.

Among the important committees, commissions or boards which have recently been set up or in the process of formation are an informal Technical Advisory and an informal Research Programme Committee for the Central Company Law Department; a central co-ordinating committee on employment studies; a Central Copyright Board under the Copyright Act, 1957; an Intermediate Ports Development Committee for selection of intermediate ports for intensive development in order of priority; a Central Cotton Textiles Consultative Board; a committee on the unification of laws in *Kerala*; and a standing advisory committee for large-scale industries in *Andhra Pradesh*.

* * *

The Government of India has ratified the Convention, adopted by the International Labour Office in June 1951, on equal remuneration for men and women workers for work of equal value. The ratification of the Convention by India has been facilitated by the observation, made in March 1956 by the I.L.O. Committee of Experts on the Application of Conventions and Recom-

mendations, that ratifying Government must ensure the application of the principle only in so far as it had control over the methods for determining rates of remunerations as in the case of public services and occupations and industries in respect of which the Government is required to fix wages.

Recently, fresh orders issued by the Central Government emphasise that no officer will be retained or re-employed in service beyond the date of compulsory retirement except when it is clearly in the public interest and where it is evident that other officers in service are either not ripe enough to take up the appointment or that the retiring officer is of such outstanding merit that Government consider it desirable to retain him in service further. Extension or re-employment may be granted up to two years at a time beyond the age of superannuation, and may be further extended by not more than a year, save in exceptional circumstances. In *West Bengal*, the cadres and pay scales of class IV health personnel have been rationalised; a *unified cadre* with certain broad heads, has been created to ensure greater mobility of staff as between different types of posts. In *Bombay*, the pay scales for the technical personnel employed in government engineering colleges and polytechnics have been substantially increased with a view to attracting the right type of qualified personnel to the teaching posts requiring technical qualifications. The *Uttar Pradesh* Government has decided that a Government official, who acts as Chairman of the Board of Directors, or as *ex officio* Director, or an autonomous industrial or commercial undertaking or corporation or statutory body in which Government funds have been invested, will no longer be allowed to receive any fees or other remuneration from these bodies.

INSTITUTE NEWS

The President of India visited the *Institute* on November 28.

The first session of the Master's Diploma Course in Public Administration at the *Institute's* School of Public Administration commenced on November 3 with seven students in the First Year course, and 23 in the Second Year. There is provision for admitting up to 50 students to each course from the next session. Of the 23 admitted to the Second Year course, six are on deputation from State Governments.

A Seminar on "Improving City Government" was convened by the *Institute* at Bangalore on September 13-14; it was attended by 25 representatives drawn from the Central Government, State Governments, Municipal Corporations and Committees, Universities, etc.

The Trivandrum Local Branch of the *Institute* organised a symposium on the recommendations of the Kerala Administrative Reforms Committee on September 30 under the presidency of *Dr. John Mathai*, Vice-Chancellor, Kerala University.

Lectures delivered at the *Institute* during recent months were as follows:

Aug. 30 : *Prof. Lynton K. Caldwell*, on "New Developments in Training for Public Administration"

(Chairman : *Shri Vishnu Sahay*, I.C.S., Cabinet Secretary).

Sept. 10 : *Prof. Quincy Wright*, formerly of the Chicago University and now Visiting Professor at the Indian School of International Studies, on "Administrative Problems of International Law."

(Chairman : *Shri S. Lall*, I.C.S. (retd.), Chairman, Air Transport Council, Ministry of Transport & Communications).

Dec. 3 : A series of three lectures by *Shri A.K. Chanda*, Comptroller & Auditor-General, on "The Function of Audit in a Democracy"

(Chairman : *Shri V.T. Krishnamachari*, Deputy Chairman, Planning Commission).

Dec. 4 : on "The Question of the Separation of Audit and Accounts."

(Chairman : *Shri Morarji R. Desai*, Union Minister of Finance).

Dec. 5 : on "The Accountability of Public Enterprises".

(Chairman : *Shri T.N. Singh*, Member, Planning Commission and formerly, Chairman, Public Accounts Committee of Parliament).

A descriptive study, prepared by the *Institute*, entitled "The Organisation of the Government of India," has been published by Asia Publishing House, Bombay. It is priced Rs. 20. It is the first publication of its kind giving an informative picture of the overall organisation of the Government of India—its various Ministries and Departments, their field agencies and offices, the special administrative agencies mentioned in the Constitution, the Cabinet Secretariat and Planning Commission. There are also 30 large charts illustrating the organisation of the various Ministries and Departments.



DIGEST OF REPORTS

ESTIMATES COMMITTEE, 1958-59, 26th Report (Ministry of Defence—Organisation of the Ministry of Defence and Services Headquarters). New Delhi, Lok Sabha Secretariat, 1958, v, p.48, 0.75 n.p.

The important conclusions and recommendations of the Committee are as under :

I. Organisation and Procedures

1. The present system does not make for economy or efficiency in administration and requires some modification. Careful consideration should be given to the question of having an integrated machinery for arriving at overall policy decisions affecting all the three Services and care should be taken that the Services do not function in separate compartments. The experience of the working of corresponding organisations in the U.K., United States, and other advanced countries should be carefully examined. It might be desirable to explore to what extent an organisation based on the Councils system as obtaining in the U.K. might be more suitable. In the U.K. there is a Ministry of Defence, under a Cabinet Minister, for coordinating the policy and requirements of the three armed Services and for administering certain inter-service organisations. There are three Ministers for the three Services: presiding over the Board of Admiralty, Army Council and Air Council. The Board and the Councils consist of the Chief of the Staff of the respective Services, the Vice-Chiefs, the Principal Staff Officers, the Parliamentary Under Secretary and the Permanent Secretary, who is also the Accounting Officer for the votes of the respective Services. While the Councils and the Board carry on higher administrative business, there are the War Office, the Admiralty and the Air

Ministry, for the normal administrative control of Army, Navy and Air Force. There is not sufficient data available to determine whether the Defence Minister's inter-Services Committee and the Defence Minister's Army, Navy and Air Force Committees, in fact, perform similar functions in India. In the light of the statement made by the Prime Minister in March 1955 about the intention of Government "gradually to develop these Councils for each of these Services," the matter should be brought before Parliament early so that a decision on the establishment of the Councils, their composition and powers is taken and the present system which is based purely on executive decisions receives parliamentary consideration at an early date.

2. Considering the volume of receipts it may reasonably be inferred that a considerable portion of it is likely to be of the variety of simple and routine references, particularly from the Services Headquarters. There seems to be some imbalance in the distribution of responsibilities between the Ministry and the Services Headquarters and also a lack of sufficient delegation of authority and powers to the Services Headquarters which are presided over by officers of the status of the Chiefs of Staff. An analysis of the receipts in the Ministry should be made by the O & M Organisation of the Government of India.

3. A proposal made by the Services Headquarters to the Defence Ministry for approval has to go through a number of stages which generate considerable subsidiary correspondence in obtaining or furnishing clarifications before the proposal is finally agreed to. There is considerable duplicate effort in the work of the Services Headquarters. The present system does not also ensure that proposals emanating from a certain level in the Services Headquarters are not examined by officials of lower rank in the Ministry. Nor have the officers dealing with various matters in the Ministry have the necessary expertise, nor the experience in the Services organisation, the problems relating to which they are expected to appreciate and criticise. The powers delegated to the Services Headquarters and to the officers and formations subordinate to it require an early review and possible enhancement consistent with their responsibilities. The procedures should be so devised that a proposal is examined comprehensively and jointly by all concerned.

4. The large number of references about pensions at present dealt with in the Ministry should be decentralised to the extent possible. The forms, the procedure and rules relating to pension should be reviewed with a view to their simplification. The feasibility of framing suitable proformas and standard forms and ensuring that all relevant data are incorporated concurrently in the records should be examined in order to obviate delays in the examination of claims. Where information is incomplete, there should be a method of dealing with cases expeditiously instead of waiting indefinitely for information that is not forthcoming. Wherever possible, eminent civilians and non-officials in public life might be asked to help in the gather-

ing and assessment of facts, instead of relying solely on official channels.

5. The "Pilot Section" scheme, which was adopted in October 1956 on the recommendations of the Central O & M Division, is costly; special steps should be taken immediately to find out if the scheme is working in the intended manner and to assess its results in terms of efficiency and economy. The danger inherent in such schemes, of persons getting paid at higher rates for turning out the same quality of work as was being done by them before, or by other persons in a lower grade, should be guarded against and timely corrective action taken.

II. Services and Other Staff Matters

1. In view of the experience gained since 1947, the justification for a separate organisation for the selection and recruitment of officers and other ranks for the Air Force alone should be re-examined, especially when a joint Selection Board is working satisfactorily and efficiently for the Army and the Navy. The feasibility of adopting the principles outlined in the recommendations of Hoover Commission on the 'Business Organisation of the Department of Defence in the U.S.A.' should be considered with regard to appointments, in the Headquarters, dealing with commercial type of support-activities. Similar principles should be applied to other activities like transport, supplies, store-keeping etc., even in the lower echelons. Civilians entrusted with such duties should also be trained adequately in business management.

2. There is scope for integration of several activities, which are common to the three Services, e.g., Transport, Education, Medical Services, Repair Services, etc. Inter-service organisations should have a very

large practical content of inter-service integration so as to eliminate duplication of effort. A committee should be appointed to examine this matter carefully and make concrete proposals.

3. It is difficult to understand the reasons for the difference in the composition of the Standing Establishment Committees set up to examine, approve and review the establishments of the Army, Air Force and inter-service organisations respectively. There is hardly any special merit in having these three separate committees when the functions performed by them are of a similar character; the constitution of the committees should be reviewed. For the Ministry of Defence, and for the integrated services headquarters also in case the Council system is adopted, there should be one such Standing Establishment Committee, which would examine proposals for increase of staff applying the principles mentioned in paras 4-5 below.

4. There should be an integrated examination, by a special committee, of the entire staff strength of the Ministry of Defence and the three Headquarters to ensure utmost economy and efficiency. This Committee, which should consist of one representative each of the Ministries of Finance, Home and Defence, preferably at the level of Joint Secretaries, should also make suggestions regarding alternative employment to be provided to personnel found surplus.

5. The present position in regard to temporary posts is hardly satisfactory. Strict criteria should be laid down for creating new posts. There should be periodical reviews to ensure that when posts, created for specific purposes, are extended, there is justification for their continuation. The authority competent

to create or extend a post should enquire why its purpose was not fulfilled within the duration originally laid down.

6. More than 500 persons with over 10 years' service had not yet been confirmed in the Services Headquarters because the relevant Rules for confirmation had not been finalised and some other related questions had not been settled. The various problems that arose in the course of framing the Rules for confirmation or for seniority should have been tackled more expeditiously; these should be taken immediate note of, at a high level, and a speedy solution found.

7. As the civilian staff in all the three Headquarters are borne on one common roster for purposes of promotions and confirmations, there is no justification for maintaining separate establishments for dealing with their day-to-day administration; the entire position should be reviewed.

8. It is not desirable to engage professional military officers in the Services Headquarters on routine administrative duties in place of civil servants, particularly when there is a general shortage of service officers.

9. The medium of the staff councils should be utilised to encourage the staff to bring forward suggestions for improving efficiency and standards of work.

III. Finance and Accounts

1. (i) While the system of accounting in the three Services is more or less the same, there is a difference in the agency maintaining the pay accounts. For the Army, pay accounts are maintained by civilian personnel of the Defence

Accounts Departments. In the Navy and the Air Force the accounts are kept by their own Service personnel; the Defence Accounts Department only gives 'technical advice' and conducts a percentage audit of the accounts. (ii) It is not desirable to have three types of separate organisations for performing duties of a similar nature in the three Services, nor that the accounts staff of the Navy and Air Force should include service personnel.

2. There should be a review of

the existing Finance and Accounts organisation for the three Services so as to attain the objectives of economy, uniformity in the application of rules, and greater co-ordination between this organisation and the executive authorities. The patterns of the Defence Finance and Accounts organisations in U.K., as also of the Railway Financial administration in India, should be carefully examined to see to what extent they may be followed in the case of the Defence organisation in India.

ESTIMATES COMMITTEE, 1957-58, 11th Report [Ministry of Transport and Communications (Department of Communications and Civil Aviation)—The Indian Telephone Industries (P) Ltd.] New Delhi, Lok Sabha Secretariat, 1958; ii, 108p., Rs. 1.37.

The report mainly deals with the Indian Telephone Industries (P) Ltd., Duravaninagar, Bangalore; it also includes the Committee's findings on a few aspects of the telephone expansion schemes of the P. & T. Department.

The important conclusions and recommendations of the Estimates Committee are as follows :

I. Organisation

1. Early action should be taken to appoint a Chairman with requisite qualifications and aptitude, who holds no post in the Secretariat or has severed his connection with the administration. Further, persons with business experience who might have no interests in private undertakings, and also persons of experience in financial matters and in tele-communication engineering, should be associated with the Board. To the extent possible, they could also act as functional advisers in various matters and provide technical services in the field of production, performance measurement, etc.

2. The Board of Directors should take maximum responsibility and function on business principles and not look to Government for guidance in matters where decisions could be taken by it.

3. The Board of Directors should concentrate on policy matters and measures to improve efficiency, economy and production, and there should be suitable delegation of powers to the authorities on the spot for execution of day-to-day work. Unless there is effective delegation, there can be no efficient functioning. With this end in view, the delegation of powers to lower authorities should be reviewed by the management. It should also be ensured by the various authorities that the powers delegated to authorities below are actually exercised.

4. It should be possible for Heads of the major Departments in the I.T.I., e.g., the Transmission and Engineering Department, to function directly under the Managing Director, especially since the present incumbent is himself a technical officer, while the General Manager might

control the other important Departments. Under this arrangement, it might be possible to abolish the post of Manager. The organisational set-up of the I.T.I. should be reviewed in the light of the above remarks, as well as of the position obtaining in modern undertakings elsewhere.

5. With a view to ensuring better coordination, there should be set up a Board of Management, as in the H.A.L., etc., consisting of the Managing Director and senior officers of the I.T.I., to assist the Managing Director in the exercise of his powers, functions and responsibilities, not in an informal manner but by holding meetings at regular intervals, maintaining records of proceedings, etc.

6. It is hard to appreciate the association of the Chief Engineer, P. & T., and the representative of the Ministry of Finance, with the Finance Committee, especially in view of the fact that they are stationed at New Delhi where they have other responsibilities also. There is no delegation of powers to that Committee so that all its recommendations have to be placed before the Board of Directors, three of whom constitute the Finance Committee. While important financial matters should be considered by the Board of Directors, there should be sufficient delegation of authority below that level for which purpose a Board of Management has been recommended. The question of the continuance of the Finance Committee may be re-examined.

7. The present system of having different Coordination Committees and procedures for P. & T., Railways and Defence is not quite satisfactory. A better arrangement might be to have one Coordination Committee with three to four Sub-Committees, each dealing with the requirements of

different user departments, and also a small office since that might ensure a closer coordination in production as well as in research programmes between the I.T.I. on the one hand and the different user departments on the other.

II. *Production, Finance and Accounts*

1. The I.T.I. should impress on the P. & T. Department, the necessity of intimating actually the firm requirements sufficiently in advance and of not making changes in them frequently. For economical working, schedules once fixed should not be frequently altered since such changes result not only in decreased productivity but also in loss of work-flow and inefficient use of manpower and machines.

2. Efforts should be directed to improve the extent of actual production in the I.T.I., to diversify production, to reduce overheads, to remove the present imbalance in the capacity of different types of machinery, to utilise the existing idle machinery and surplus capacity to the full and to improve the capital output ratio.

3. A Technical Committee, consisting of one or two tele-communication engineers and a chartered and/or cost accountant, under the chairmanship of an experienced industrialist, should be set up at an early date, to review the working of the I.T.I. during the last decade. This Technical Committee may also look into the working of P. & T. workshops and its report should be made available to Parliament.

4. The increases of profit margins are unobjectionable so long as they assist in self-financing future development projects. The basic objective of a public enterprise like the I.T.I. should, however, not only

be to realise a financial profit but to produce the required products, to achieve the optimum output and to ensure production by economic and efficient methods.

5. Prompt action to liquidate all the outstandings should be vigorously pursued by the I.T.I. with the concerned departments, which now amount to Rs. 138 lakhs.

6. The expenditure trends do not reveal a very satisfactory picture in many directions. The expenditure of the I.T.I. should be regularly and carefully analysed and necessary action taken to control disproportionate increases.

7. (i) It is hard to appreciate wide variations between the actuals and budget figures, when the I.T.I. has an assured business on the basis of the cost of production. In order to minimise these, the standard of budgeting, which in turn depends on proper accounting and costing, should be improved. (ii) The entire system of accounting—financial, cost and stores—should be urgently got examined afresh by an expert team specially to be set up for the purpose. (iii) Considering the similar corresponding position in other State enterprises, the Government of India should urgently set up an Expert Committee to go into the system of accounting—finance, cost and stores—in all the State undertakings with a view to making it fool-proof and achieving standardisation of accounting procedure, to the extent possible, at least in all manufacturing units.

8. The annual accounts and reports of public undertakings, to be laid before Parliament, should be made far more detailed and exhaustive than at present. Here the annual reports and accounts of the nationalised industries in U.K. might be considered as a model. Further,

in order to enable Parliament and Parliamentary Committee to make a proper study of these undertakings, their annual accounts and reports for the preceding financial year should be laid before Parliament before the commencement of budget discussions.

III. Stores

1. (i) The existence of Stores Purchase Committee in the I.T.I. is a very desirable feature, which may be adopted with advantage by other State undertakings. (ii) Considering that the annual purchase of the I.T.I. amount to Rs. 2.5 to 3 crores, the feasibility of associating non-officials with the Stores Purchase Committee may be examined.

2. Overstocking and shortages should be avoided by proper planning, and by stipulating realistic delivery dates for materials and imposing penalties on suppliers for failure to supply the materials in time; at the same time, full advantage should be taken of periods of low prices to accumulate stocks for future use.

3. An increasing use should be made of the system of sub-contracting; purchases should be decentralised; and a Telegraph and Telephone Equipment Committee, on the lines of the Railway Equipment Committee, should be set up.

IV. Telephone Expansion Schemes of the P. & T. Department

1. The need for stream-lining the organisational set-up of P. & T. workshops with a view to ensuring greater coordination with I.T.I., even if common management for the two be not immediately feasible, as well as of rationalising the manufacturing operations in these units to fit in with the Telephone Expansion Schemes of the P. & T. Department,

should be constantly kept in view while making the reorganisation.

2. To facilitate effective co-ordination, the desirability of placing the Hindustan Cables (Private) Ltd. under the administrative control of the Ministry of Transport and Communications (Department of Communications) should be considered.

V. Personnel

1. The abnormal increase of factory staff without a corresponding increase in production indicates a decline in productivity of labour. Vigorous and determined attempts should be made to control staff strength and to correlate it with production; the present system should be thoroughly reviewed; and detailed job analyses and proper time and motion studies undertaken immediately in the various shops.

2. There is no justification for the grant of a conveyance allowance to six senior officers of the I.T.I. and the entertainment allowance to the Managing Director.

3. The reasons for the large number of resignations in the I.T.I. should be carefully investigated and appropriate remedial measures taken; wage incentives on a scientific basis should be introduced before long, as also an 'Attendance Bonus Scheme'; the suggestions scheme and awards should be better publicised and reasons given for suggestions not accepted; and a separate Welfare Fund should be set up, to be managed by a Committee consisting of workers only.

4. (i) A phased programme for training technical personnel in tele-communication equipment in the A.T.E.'s Works should be formulated; the adequacy of the training schemes should be continuously reviewed; and a scheme should be started to recruit and train qualified 'apprentice' draftsmen, tool-makers, designers, etc. (ii) A more senior officer, serving or retired, with experience of tele-communication engineering, should be put in charge of the I.T.I.'s Training School. (iii) "Training Within Industry" should be expanded.

ESTIMATES COMMITTEE, 1957-58, 23rd Report, (Ministry of Education and Scientific Research — Central Social Welfare Board). New Delhi, Lok Sabha Secretariat, 1958, iv, 87p., Rs. 1.19.

The more important findings and recommendations of the Committee are summarised below :—

I. General Observations

1. The activities undertaken by the Central Social Welfare Board give ample opportunity to women to show their talent in a sphere specially suited to them, and also serve as inspiration to a large number of women in villages who come under their impact.

2. Before starting a project, public co-operation should be enlist-

ed to a reasonable extent and a continuous effort should be made to keep up that enthusiasm.

3. Expeditious steps should be taken to delegate more and more powers to the State Boards for supervision of welfare activities and sanctioning of grants to State welfare institutions and for developing such institutions.

4. The Programme Evaluation Organisation should be suitably strengthened to undertake a continuous evaluation of the activities of the Central Board.

II. The Organisational Set-up

(a) Composition

1. There should be two members from the Lok Sabha and one member from the Rajya Sabha, in the Central Social Welfare Board.

2. The two non-official members of the standing committee of the Central Board should be elected by the Board instead of being nominated by the Chairman.

3. The Chairmen and members of the State Social Welfare Advisory Boards should be appointed by the respective State Governments in consultation with the Central Social Welfare Board as a whole, and the local legislatures should be given suitable representation on the State Boards.

(b) Functions

1. To avoid the overlapping of effort between the Central Social Welfare Board and the community development organisation, that part of the Central Social Welfare Board's work which relates to rural development, especially with regard to women and children, should be in the charge of one Ministry (*viz.*, the Ministry of Community Development) rather than two.

2. The members of the Project Implementing Committee may be entrusted with some field work and allotted certain centres in the Project for effective guidance. The representative of village panchayats in the villages included in the projects may also be associated with the Committee, and some members of the Committee should be co-opted on the Block Advisory Committees for effective coordination.

3. The Ministry of Education should persuade the State Governments to entrust all the social welfare work in the States to the State Social Welfare Advisory Boards;

and the State Welfare Departments, wherever they exist, should function in close cooperation with the State Boards to avoid any possibility of duplication of efforts.

4. There is hardly any necessity of burdening the Union Ministry of Home Affairs at present with matters connected with the welfare of women and children, *e.g.*, distribution of grants for After-Care Homes and Shelters. All work connected with welfare of women and children at the Centre should be done by one agency, *viz.*, the Central Social Welfare Board.

III. Recruitment and Training

1. In view of there being a number of autonomous Boards under the Ministry of Education and their number being on the increase, the Ministry should devise some independent machinery for the purpose of recruiting the higher grade staff of these Boards on the lines adopted by the Public Service Commissions.

2. For the posts of *Mukhya Sevikas*, women with background and experience of social service should be preferred even with some relaxation in educational qualifications as in the case of Social Education Organisers under the Ministry of Community Development. Some percentage of posts should be reserved for suitable candidates belonging to Scheduled Castes and Scheduled Tribes, with greater weightage in categories like mid-wives, dais, etc.

3. The required number of trained Gram Sevikas and dais are not likely to be available by the end of the Second Plan according to the present programme of training. To expedite and improve the training of personnel for welfare projects, what is needed is a fuller utilisation and expansion of the capacity of the existing Gram Sevikas training centres of the Kasturba Gandhi National Memorial Trust and other existing

centres; opening of new centres; encouragement of training of instructors for Kasturba Trust centres; greater attention to practical training of Gram Sevikas and inclusion of general instruction on family planning in their training syllabi.

IV. *Finances and Economy*

1. More than 50 per cent of the amount provided in the First Plan for social welfare activities lapsed at the end of the Plan. Greater care and vigilance should be exercised to ensure that the story of short-fall in expenditure of the First Plan is not repeated in the Second.

2. Utmost care should be taken to keep the expenditure to the minimum. Economies can be effected, among others, by sharing the jeeps with the personnel of the community development organisation and State Boards; obtaining equipment in bulk at cheaper rates; abolishing the post of the Administrative Officer; and making the two journals "Social Welfare" and "Samaj Kalayan"—self-supporting.

V. *Welfare Projects and Other Services*

1. Efforts should be made to extend the various activities to all the villages under a rural welfare extension project, by taking the assistance of the field staff of the community development organisation, wherever feasible.

2. Gram Sevikas in the rural welfare extension projects have not so far been able to extend their programme to all the five villages under their charge. In the projects of new pattern started in Community Development Blocks, the services of the Gram Sevaks (V.L.Ws.) and the Gram Sevikas should be suitably pooled. The Gram Sevika will look after particularly the welfare work for women, children and the handicapped.

3. Voluntary organisations should be encouraged to take up the work of the rural welfare extension projects even in the community development blocks, if necessary, by raising the quantum of grants given by the Central Board. In tribal areas, the projects should preferably be entrusted to voluntary organisations of long standing, working for the welfare of 'adivasis.'

4. Efforts should be made to reduce the present cost (Rs. 2.5 lakhs) of an urban family welfare project.

5. Slum areas in big towns and cities should be given preference for starting urban welfare projects. Such projects, if actively pursued, have the potentialities of evolving into multi-purpose socio-economic centres round which other welfare activities for the poorer sections of the urban population can be built up in the shape of medical aid, educational and recreational facilities, child welfare centres, family planning centres, etc.

6. The feasibility of further simplifying the forms of applications for grants should be examined; the institutions should have option to fill in and prepare the forms in Hindi or other regional languages recognised by the Constitution.

7. The Board should evolve a suitable machinery to lay down certain standards of service in the light of latest developments in other countries; it should further furnish expert advice and guidance to aided organisations.

8. The reports, on activities of organisations receiving grants, should not be tied up with the certification of accounts; and the feasibility of associating local people, viz. Municipal Commissioners, M.L.As., and M.Ps. from the area concerned, with the inspection of institutions and assessment of their work should be examined.

BOOK REVIEWS

THE ORGANISATION OF BRITISH CENTRAL GOVERNMENT—1914-1956; Ed. By D.N. CHESTER. London, George Allen & Unwin, 1957, 457p. 32s.

"Public Administration" as a subject of study has received recognition only in recent years. It is no wonder, therefore, that books on administrative history are by no means plentiful. As the cover page of this work on "The Organisation of British Central Government" announces, this is the first detailed account of how the structure of British Government developed since the beginning of the First World War. The organisation was last reviewed by the Haldane Committee which reported in 1918, but this Committee did not undertake a historical survey as has been done in this work.

From this point of view, the results of the survey conducted by the Royal Institute of Public Administration as embodied in this volume have special importance. This importance is enhanced by the fact that the period covered by the book, namely, 1914-56, has marked a significant change in the conception of the State and of the part which the State should play in guiding and controlling the life of the community. "At the outbreak of the First World War," as it has been stated, "the role of Government in Britain was still widely regarded as embracing only the three classic activities—the maintenance of internal law and order, the defence of the realm, and the conduct of external relations." The complicated structure of a modern welfare State had not been thought of. At the end of the period under review, on the other hand, there was hardly any sphere

of public life in which the State was not interested. This extension of the sphere of State activities necessarily meant an expansion of the organisation of Government; and the expansion brought in its train problems which a simpler form of Government did not have to face. The problem of coordination in a modern Government is a major one, and the account of the manner in which this problem has been faced and solved from time to time in the British Central Government is one of the most interesting features of the work under review.

The task undertaken by the authors is thus by no means an easy one. The book seeks to give a historical review of the growth of the organisation of the British Central Government during a period in which the growth has been specially rapid. It traces the growth in considerable details, and describes the adjustments made from time to time in response to changing conditions. The emphasis has been of facts, rather than on trends, and this makes certain portions of the book heavy reading. As a book of reference, however, it is of great value, for no significant change in the organisation has been overlooked.

The mass of details presented in the volume also helps to underline a basic truth about administrative organisations. As the concluding chapter of the book states, "There is no simple or single formula by whose application all the problems of administrative arrangement can

be solved." It is, of course, true as the chapter goes on to say that "it would be equally wrong to swing to the other extreme and to assume that there are no rules or guides to action. Indeed, . . . there is a good deal of knowledge and experience available for those who have to make decisions in this field." But these are no more than guides; they hardly satisfy the more exacting standard of a general rule. Administrative organisations are meant for the functioning of individuals grouped in such organisations. They, therefore, take their character from the individuals who constitute and manage them. In order to succeed, the organisations must be attuned to the needs, requirements and capacities of these individuals. It is not surprising, therefore, that no particular form of administrative arrangement can be regarded as good for all times and for all conditions. The past history and tradition, no less than the present conditions and the varying capacities of those in authority determine the shape of an organisation. A particular grouping of functions may be determined for no other reason than the Minister in charge is the person best suited to undertake this group of functions. A grouping so decided would be a perfectly valid one, calculated to yield much better results than a grouping arrived at on theoretical consideration and without

taking account of the personalities involved.

In the absence of generally valid rules, administrative arrangements must necessarily be a matter of trial and error, and of constant adjustments. An organisation which is capable of such changes is the one which is likely to survive. The account given in this book indicates clearly how within the comparatively short period of 1914-1956 various adjustments have been made; new forms tried, rejected or modified. The story is a continuing one, and no doubt at some future date an attempt will be made again to look back at the subsequent period, and continue the story beyond 1956. This book has performed a useful, in fact an essential task, and there is no doubt that this task will be undertaken and performed in future at periodic intervals. It may be possible on a future occasion when such a task is undertaken to have a different emphasis and to concentrate on the changes in organisation which have long-term significance, to trace the long-term trends which underlie such changes rather than to narrate chronologically the changes themselves. The present book, however, is a mine of information, and a careful perusal of the chapters is well rewarded.

—R.C. Dutt

CLERICAL UNIONS IN THE CIVIL SERVICES; By B.V. HUMPHREYS. Oxford, Basil Blackwell, 1958, xiv, 254p.

This first study of the trade union movement in the clerical ranks of the British Civil Service has been acclaimed as a much-needed history and a standard work on the subject. It is surprising that while the general trade union movement in Britain has had many chroniclers, black-coated unionism in the Civil Service which has been an outstanding success in

adaptation to a special milieu had so far not attracted any historian.

Dr. Humphreys has painstakingly collected her material from departmental minutes and the records and journals of the clerical unions, dating back to the middle years of the 19th century. The result is a well-documented and understanding account

of the struggle of the proletariat of the Civil Service for security of tenure and a middle class status. The more absorbing part of the book is that which deals with the formative years of the clerical unions and the agitational phase before the introduction of the Whitley system in the Civil Service. Here sober documentation is enlivened with accounts of dramatic moments when the Crown's otherwise obedient servants abandoned petitioning and waged war against the Treasury through their own journals, the national Press and Members of Parliament.

Dr. Humphreys ascribes the rise of trade unionism in the clerical service to the economic pressure to which the clerks were subjected in the latter half of the last century when the Civil Service was being expanded and reorganised. Before the wide dissemination of education in the community, lucrative positions were available in the Civil Service for the mere ability to read and write. As clerical labour became available in abundance, the old grades were downgraded and appointments came to be made on a temporary basis for long periods. Both insecurity and down-grading led to departmental groupings for collective bargaining. Later, when uniform grades were introduced in all departments, All-Service associations were formed to protect the interest of the members of these grades and to negotiate direct with the Treasury. With the passage of the Trade Union Act in 1887, these associations became a part of the broad current of trade unionism in the country and linked up with the Trade Union Congress and the Labour Party. The link with the Trade Union Congress continued until 1927 when it was severed under an Act of Parliament. The Act was repealed in 1946 and affiliation with the Trade Union Congress

restored, but the clerical unions were debarred from affiliation with political parties. Right till 1918, the clerical unions were given only grudging recognition by authority. In that year, Government accepted the recommendations of the Whitley Committee for a machinery of consultation between industrial employers and their employees in order to maintain industrial peace. Promptly, the clerical unions demanded extension of this principle to the Civil Service which, illogically, was denied. After a raging and tearing campaign, both in the Press and in Parliament, the clerical unions gained their point. Whitleyism in the Civil Service was then introduced in consultation with the clerical unions which were incorporated into the Whitley machinery. In fact, Whitleyism has been an outstanding success in the British Civil Service because it has been based on the strongly representative associations of the clerical employees which have accepted the limitations of the Civil Service, abjured the strike weapon as well as affiliation with political parties and sought to improve their conditions of service by reasonable negotiation. It is a tribute to this system that the recommendation of the last Royal Commission on salaries were speedily put into effect by agreement between the staff side and the official side.

In India, Civil Service trade unionism is yet in a formative stage. Until lately, employment under government has been more lucrative and generally more attractive than employment outside, and what is called a Service grievance is only of recent origin. The dispersal of offices in a vast country has also militated against the development of unionism. There has been no noticeable activity in this direction in the States, but under the Central Government, big associations have

been developing in departments like Posts and Telegraphs, Railways, and Audit and Accounts, where factors for cohesion have existed. In the Central Secretariat Services also, uniformity of grades has led to the growth of All-Secretariat clerical associations but their membership is not as representative as it is in the British unions and leadership is yet to develop. It is in these conditions that departmental staff councils were set up in the Central Secretariat in 1954 to provide a forum where members of the staff could meet official representatives to ventilate their grievances and express their views about changes in conditions of service. The staff representatives on these councils are directly elected and not nominated by the staff associations which continue to function separately. These staff councils are yet in a formative stage and have to develop stature. Their role is purely consultative unlike that of the British Whitley councils which determine

conditions of service by negotiation between the official side and the staff side representing mammoth unions. There is as yet no All-Secretariat council on the pattern of the National Whitley Council in the British Civil Service to deal with larger issues.

The book has a separate chapter on the vexed salary problem in a non-profit organisation like government, which is of topical interest to the Indian reader at a time when the Second Pay Commission is examining the pay-structure under the Central Government. She has collected statistics to show how real incomes in the British Civil Service have been declining or falling out of step with the rise in the general wage rates. Here also, as in Britain, the dilemma is to reconcile the fair wage claims of Civil servants with the general economic situation and the financial resources of the government.

—R. N. Madhok

ROLE OF HIGHER CIVIL SERVICE IN INDIA; By DWARKA-DAS. Bombay, Popular Book Depot, 1958, vi, 260p. Rs. 12.50.

The development of Parliamentary Democracy and Welfare State in independent India has been raising the important problem of a proper orientation of the Public Administration to serve the new needs of the country. The public services have to maintain high standards of efficiency, integrity, responsiveness and responsibility if they are to play their crucial part successfully in the shaping of a new political and social order. Dr. Dwarkadas has attempted an analysis of the new administrative needs of India and has pointed out the dynamic role which the Higher Civil Service has to play if these are to be fulfilled effectively.

The author of the book provides a historical perspective of the deve-

lopment of the Higher Civil Service in the country from the days of the East India Company and also describes briefly the traditions of this Service in pre-Independence days. He analyses the present structure of the Higher Civil Service both at the Centre and in the States. He discusses the philosophical concept of the Welfare State, describes the planning and development functions of the administration in such a State and gives us, though briefly, a glimpse into the processes of decision-making and policy-formulation. He examines the relationship between the political executive and the Higher Civil Service as well as between the latter and the people. Lastly, he sums up the conditions for the effective fulfilment of the role of the

Higher Civil Service in the developing Welfare State.

The book is the result of patient research on the part of the author. He has not only looked into the scanty material on Public Administration available to persons outside the Administration but has drawn upon the literature available in the West on the administrative problems of a Welfare State. He has made use of the techniques of interview and questionnaire in eliciting the views of some high ranking administrators. It would perhaps have added to the utility of the book if he had also collected the reactions and experiences of the political administrators (*i.e.*, Ministers etc.) in regard to the problems of higher bureaucracy in India. The book, on the whole, has been written in a lucid fashion though at times long quotations from other books seem to mar the style to some extent.

There are a few deficiencies in the substance of the book. For instance, while discussing the concept of Welfare State, it might have been useful if the author had also dealt with the impact of Mahatma Gandhi's views upon the evolution of the Welfare concept in India. Again, he has not examined the prevailing human relations within the Civil Service and has not suggested any reorientation in the relations among the higher civil servants themselves as well as between the higher civil servants and the middle and lower ones. An administration is not likely to be as democratic in its outlook as will be desirable nor will there be a higher morale within it if there are class and caste feelings among the civil servants. Nor has the need for a proper understanding the cooperation between the specialists and the higher administrators received an adequate attention in this book. As time passes, the impact of science and

technology upon the administration grows stronger and deeper. This necessitates a proper adjustment in the relationship between the specialist and the higher administrator so that both can work in a team spirit, for dealing with the pressing problems of socio-economic reconstruction of the country.

There are also some mis-statements. The author is not wholly correct in saying that there is still only a part-time Principal in the I.A.S. Training School. Before 5th February, 1955 it was one of the Joint Secretaries of the Ministry of Home Affairs who also functioned as a part-time Principal but on that date, a whole-time Principal was appointed. Though he is also to act as a Director of Training, his primary responsibility, however, has been to look after the I.A.S. School, and more recently, also to supervise the newly-started I.A.S. Staff College at Simla. Again, it is not accurate to say that it was under the Act of 1833 that the open competition for the Covenanted Civil Service was actually instituted. It is true that the Act made a provision for a competitive system of recruitment but this provision was not put into practice. In the Charter Act of 1853 it had to be repeated and then alone action was taken for setting up a system of open competition. The author is also not right in stressing that the Collector in the District has no general assistants in the execution of planning and development work. In recent years District Planning and Development Officers and General Assistants to the Collector have been appointed in most of the States.

One may find it difficult to agree with the author on some points. While he has stressed the utility of formal training in providing a corps of civil servants with creative intelligence and inventive minds, he

seems to have under-estimated the importance of informal training at the hands of the senior officers which has an important role to play in the building up of the administrative standards. As regards corruption, the author's suggestion for the setting up of an Administrative Intelligence Bureau under a High Court Judge or the Public Accounts Committee for probings into malpractices on the part of civil servants is not an administratively sound proposal. In our view, it is not the function of a legislative committee or a judicial functionary to supervise regular-

ly detailed investigations into administrative irregularities and malpractices. On the other hand, the setting up of such an agency within the department itself is more desirable as has actually been done at the Centre in the form of Administrative Vigilance Division.

The book has been written from the broad angle of social sciences. Despite some of its limitations it is a useful addition to the much-needed studies on Public Administration of the contemporary India.

—B.S. Khanna

INDUSTRIAL RELATIONS IN INDIA; By CHARLES A. MYERS. Bombay, Asia Publishing House, 1958, xiv, 376p. Rs. 15.75.

That policy-making in Government is a very intricate and complex process, involving a multiplicity of agencies and factors—economic, social and political—, is refreshingly brought out in an illuminating manner in Prof. Myers' latest study. Though concerned primarily with the structure and functioning of industrial relations in India, it is highly valuable addition to the scarce material on problems of labour policy. Industrial labour has been defined broadly enough to include all types of man-power—including supervisory and managerial. The present labour policy of the Union Government is seen by Prof. Myers in the light of the various factors which have given it its present form and content, e.g., the growth of industry and entrepreneurship, the concentration of industrial control in a few agency houses, the importance of community and family in the structure and development of Indian business enterprises and labour, the development and commitment of an industrial labour force, the emergence of labour organisations, the managerial response to labour problems, the goals of economic development, the impact

of the Gandhian philosophy and way of life, and the expansion of the public sector, etc. The analysis is both penetrating and dispassionate; it is critical too, but Prof. Myers, who also puts forward in the book a plea for better utilisation of foreign technical assistance experts, is restrained in his criticism which he clothes in seemingly innocent but really very meaningful words. In fact, he only suggests, to readers in general and Government in particular, implications of a particular labour policy and the directions in which it may be modified if certain objectives were accepted by the Government.

Prof. Myers finds that the pattern of labour-management relations has increasingly been structured by Government. 'The overriding importance of economic development objectives, the concern for left-wing and Communist capture of labour protest and the shortcomings of managerial attitudes and policies towards utilisation of labour have all combined to bring Government into the control of labour-management relations to a degree unthinkable in most Western countries today.' Referring

to the non-implementation of the provision of the Trade Union (Amendment) Act of 1947 in regard to "unfair labour practices," Prof. Myers further observes that "but for the most part it is difficult to conclude that a strong, independent trade union movement is among the top priorities in government's present labour policy. This reflects, in part, the lack of agreement in government and trade union circles on what ought to be done to strengthen unions; but it reflects even more, in my judgment, the need for government to retain some control over those activities of the labour movement which might hinder economic development objectives. This concern is understandable and defensible."

While defending the present control by Government over the labour movement, Prof. Myers does not forget to present the other side of the picture too. "But when government is forced to take more of the initiative for economic development in underdeveloped countries today, the labour movement tends to be regarded (by government officials and by some trade union leaders) as an instrument of economic development in the interests of the whole nation, rather than as a class group. The danger here, of course, is that the labour movement may become a labour front, as in totalitarian countries. So long as India remains dedicated to economic development by democratic means, this danger must be borne in mind by trade union leaders and government officials alike."

Equally interesting are the observations on the respective roles of collective bargaining and compulsory adjudication. "Compulsory adjudication remains a 'way out' of serious labour strife in the face of rival unionism, including Communist

unions. For government, it provides a measure of control consistent with planning objectives and with the belief that it is better to let an impartial third party decide what is right, if two parties cannot agree, than to permit them to fight it out." Again the reasons given for the retention of compulsory adjudication in India in the near future are more compelling than the reasons advanced for scrapping it. Those who propose the latter, influenced as they often are by Western experience, need to reconsider the *context* and *timing* of economic development in which completely free collective bargaining can work. It ought to be realised, however, that once a country adopts compulsory adjudication, it is not easy to reverse the pattern and move to freer collective bargaining."

At the same time Prof. Myers favours collective bargaining relationship and would like its small but growing number of examples to be studied carefully, and also more experimentation by Indian employers (but he is quick to qualify his statement by adding)—"at least if they seek an alternative to complete State intervention and structuring of labour-management relations." Again, "if government wants to provide the conditions under which collective bargaining can develop effectively, it must resolve the indecision with which it is now confronted and develop some India-wide method of determining the most representative union with which employers are expected to bargain. If, on the other hand, government prefers to perpetuate its present measure of control over the labour movement, perhaps rival and fragmented unionism is congenial to this objective. From another point of view, rival unionism, as we noted earlier, is not an unmixed evil; for it may keep a measure of freedom and vigour in the labour movement

that would not otherwise exist. One united labour federation would be either more independent or less independent of government, and probably the latter is more likely at this stage of India's economic development."

The above examples—of governmental control of labour movement and of compulsory adjudication *vis-a-vis* collective bargaining—broadly show that Prof. Myers does not intend to resolve any particular dilemma for us; he only weighs the pros and cons of the various solutions and indicates the circumstances and objective for which they would be appropriate. Incidentally the process has involved a thorough analysis of local circumstances and situations, which is a formidable task for any foreign observer or expert. This is an approach which deserves to be more widely followed by foreign experts coming to India in the interest of ensuring that their findings and conclusions are not only relevant to the local circumstances but also do not cause offence to the Government and the people.

Another important contribution made by Prof. Myers in the present volume relates to the improvement of personnel management in the industrial sector in India, both private and public. Prof. Myers points out that the approach of many managements in India in utilising human resources and in dealing with labour problems is still characterised by authoritarianism and paternalism. Superior-subordinate relations in Indian industries are often marked by order-giving and subservience to superiors. The Indian worker is as good as his counterpart in other countries, given the same equipment and the same state of health. His aspirations are not greatly different from workers in other industrial societies, despite cultural differences.

Prof. Myers holds that while the ingredients of a modern personnel administration programme may not wholly apply to an industrially underdeveloped country like India, the successful experience of a number of foreign companies in India suggests that the amount of transferability is substantial. "People at work tend to respond to fair, consistent treatment in the same way in most industrial societies, and Indian workers are not exception, despite all the differences in culture and social structure." "When management treat labour officers solely as agents for administrative discipline, handling grievances and performing 'unpleasant tasks,' they have failed to understand their own responsibilities as managers."

Indian managements also lack in regard to delegation of responsibilities, effective communication channels and development of management personnel. Indian labour though plentiful, is no longer cheap, partly due to poor performance and indiscipline and partly because of inadequate managerial policies and legal requirements which limit managerial flexibility in utilising labour. Management policies which were politically adequate in the 19th century in other developing countries are politically explosive in the mid-twentieth. Prof. Myers, therefore, urges that adequate attention should be paid to programmes of managerial training and to the question of building an effective organisation for Indian enterprises to provide greater opportunities for middle management to participate in important managerial decisions and have access to higher managerial positions. Recognition of the value of professionally trained management needs to grow faster than at present.

On the question of 'worker participation in management,' Prof. Myers

has some interesting views. "If 'participation in management' means joint sharing of decision making at all levels, the consequences of such assistance of effective managements have not been understood, and clearly Indian union leaders will not be prepared for this type of responsibilities for a long time.... But if 'participation' means greater consultation between management and labour, then unions and workers will clearly benefit (as well as management). The importance of adequate preparation for joint consultation of this type cannot be overstressed...."

Prof. Myers has a word of advice for the public sector also. "While there were notable exceptions, government enterprises were not regarded widely by trade union officials as more enlightened in their labour-management relationships than the bulk of private employers, and were said to be more backward in a few cases. Government needs to give more specific attention to management training and development for public enterprises, better personnel policies, and more workable relationships with trade unions and works committees. If government is serious about promoting 'worker participation in management,' it might well begin with its own enterprises and establishments."

The study reveals throughout the writer's keen power of analysis and extraordinary ability of synthesis. Among the manifold factors, leading to growth and development of industrial labour, reference has been made to the influence of the social and cultural patterns, for instance, the low respect in which businessmen are held in India; anti-cow-slaughter sentiment which results in waste of animal resources; outbursts of violence (involving also British managerial personnel in India), the impact of the Gandhian way of life on industrial

development, etc. Says Prof. Myers, "The price of political stability in India today may well be some slowing down of the pace of modernization in the older established industries. New industries, of course, can more easily adopt modern techniques since there is no presently, employed labour to be displaced and to protest." Among the benefits of the British rule, listed in the book are "(a) a trained Indian elite represented by the Indian Civil Service which provides a quality of government administration unique in industrially underdeveloped countries; (b) an educational system which helped to produce this elite and has left a common core of knowledge and a language of the elite (English) in a sub-continent of many linguistic, religious, and racial groups; (c) an English legal system which has helped to preserve individual rights."

While the study is characterised by richness of material and imagination and bibliographical notes, it does not however attempt to answer some of the basic questions relating to industrial relations. For instance, no light has been thrown on the ability of the productive system in India under the proposed socialistic pattern of democratic society to sustain an ever-rising level of wages for industrial workers. Nor has any remedy been suggested to alleviate the hardship of retrenchment due to rationalisation and modernisation. The respective roles of both private and public sectors in economic development of the country have been brought out; but little has been said how the growth of the public management in the field of industry is likely to affect the future pattern of employer-employee relations. Prof. Myers has presumed, and may be justifiably, that the present trend both in wages and employer-employee relations will continue, and that what is needed is to build up an

effective organisational structure and a sound system of personnel management. The analyses and conclusions are both revealing and thought-provoking, one only wishes that these were carried a step further to include

some of the more fundamental problems which the country is going to face with the enormous expansion of public management.

—R. S. Pande

LOCAL GOVERNMENT IN THE U.S.S.R.; By CHUNILAL D. BARFIVALA. Bombay, The All India Institute of Local Self-Government, 1958, ii, 94p.

The handbook attempts to give a brief account of the Local Government in the U.S.S.R. It lacks both in comprehensiveness and critical approach. Village and City Soviets have been described but little has been said about the Local Government set-up of the district and the region. The Soviet theory of the constitution and of Local Government has been accepted at its face value, and the gulf between theory and practice of Russian institutions has received scant attention. The treatment would have been more

comprehensive if the pages which have been written on the Russian Constitution and Marxian theory had been devoted to the subject in hand.

The book would be useful to those who have to make their first acquaintance with Russian Local Government. The historical background and the bibliography at the end are commendable features of the book. An index is lacking.

—M. P. Sharma

ESSAYS ON 'THE WELFARE STATE'; By RICHARD M. TITMUS. London, George Allen & Unwin, 1958, 232p. 20s.

Like the police State of the 19th century, Welfare State in the 20th century is a succinct expression for the dominant aspects in the current political theory. The advances in science and technology, industrialization and urbanization have rendered the assumption of responsibility for their own welfare difficult for the individual and the family but easy for larger voluntary associations and State departments. The provision of environmental, financial and occupational welfare services on a mass scale is economical and efficient when they are undertaken by large associations. This in brief is the *raison d'être* for the welfare State. The concept, however, has a mixed reception. While the less fortunate sections of population expect a great deal from it, the rest resent its paternalistic implications. While some

welcome it as the middle way between Capitalism and Communism, others oppose it as leading to a "servile" or "ill fare" State. This mixed reception to the concept of Welfare State may be attributed to a confusion in understanding about its origins and development. Recent literature on the subject has been attempting to remove the confusion. But many books give more a descriptive account of the developments in social services in England or Sweden or other countries than deal with the logical and philosophical implications. Prof. R.M. Titmuss, however, ably discusses in his works the logical relationship between social services and the modern industrialized or urbanized society. In the words of the author himself, "The social services, (however we define them) can no longer be considered

as things apart, as phenomena of marginal interest, like looking out of the window on a train journey. They are part of the journey itself. They are an integral part of industrialization." His monumental work on Problems of Social Policy in the History of Second World War Series is a pioneer study.

Though the present work is a number of essays (written between 1951 and 1957) brought together in a book form, there is a certain unity among them. The first chapter deals with Social Administration in a Changing Society. In this, the author deals with the origin of the Social Science Department in London University, with certain aspects of the historical development of the social services and with the inter-relationship between social changes and social services. The second chapter deals with the Social Division of Welfare. In this chapter brief reference is made to the contemporary thinking about social policy and the underlying assumptions. Developments in the threefold fields of welfare namely, social, fiscal and occupational, are considered in relation to the trends in the division of labour and the search for social equity. In drawing together the threads of arguments the author opines that "much of the criticism and all the complacency about 'The Welfare State' is either irrelevant or unbalanced and that we need to re-examine, by returning to first principles, current notions of what constitutes a social service." The third chapter contains an analysis of contrasting pension systems (public and private) in the context of population change. Discussion in this chapter is directed towards certain aspects of social provision for old age, particularly, the issues raised by the report of the Philips Committee on the Economic and Financial problems of the Provision for Old Age (1954)

and five other related State documents. The three succeeding chapters, War, and Social Policy, the Position of Women, and Industrialization and the Family, draw attention to "one of the major tasks of the second half of the twentieth century" namely, "to reformulate the philosophy of social policy and to rescue it from its present inhibitions derived from a 'Welfare State' ideology." These three chapters contain a stimulating discussion, a broad yet a deep analysis of the impact of industrialization and war on family and society. Chapter seven on The Hospital and its Patients contains a vivid picture of the administrative problems of a large-scale social service organization and an earnest appeal for humanizing the administration in the hospital which in depth and range of complexity, has, as a social institution few rivals today. Chapters eight, nine and ten are Sherril Foundation Lectures delivered at the Law School, Yale University, U.S.A., in April 1957. They deal with the National Health Service in England—Some Aspects of Structure, Some Facts about General Practice, and Science and the Sociology of Medical Care. These lectures contain material of much interest to audience outside U.S.A. too as the attempt to make the advances in medical science available to the people at large without reference to individuals' means is a matter of serious concern for people all over the world. What distinguishes the present age from the past is the enlarging sphere of "provided" as against "purchased" services. But the administrative problems of providing professional services which were formerly the preserve of the privileged few are indeed staggering and Prof. Titmuss unravels in these essays many of these problems and makes constructive suggestions for improvement.

Essays on the Welfare State have a special appeal and a particular

interest to the people in India and similar countries passing through the preliminary phases of industrial and economic development. Most of the countries have adopted the welfare State as the goal of their social policy but enthusiasm about the Welfare State as a goal of social policy is not matched by an endeavour to understand its social and administrative implications. Bulk of the population living in these countries are becoming aware of the "gulf between what is and what might be in their conditions of life" and as the author rightly observes "we seem to have passed into an age of explicit discontents and of more articulate expectations." While most of the long industrialized countries of the West are "still heavily burdened by the as yet 'uncompensated dis-services' of the earlier stages of their economic growth, while the rapidity of change in the highly industrialized societies during the last one hundred years has put the family on the defensive, forcing it to choose between kinship and economic progress," the people of Afro-Asian countries are trying quickly to catch up with the industrialized West. Studies are being made under the auspices of the U.N.E.S.C.O. on the problems of the impact of industrialization on traditional cultures; efforts are being made to avoid the 'social costs' of progress in economic and industrial spheres by simultaneously developing social and welfare services. Some wonder whether it would be possible to develop industrially without paying the costs of progress notwithstanding the emphasis on simultaneous development of social services. The bewildering variety of welfare activities, spread over a large area without adequate financial or personal resources, the large measure of departmentalization of welfare services administered from above and not well-supported by voluntary action

in these countries lend support to the above doubts. These elements also add to the already existing confusion in the subject referred by the author, namely, "The lack of any precise thinking about what is and what is not a 'social service' confuses and constrains the social conscience and allows the development of distinctive social policies based on different principles for arbitrarily differentiated groups in the population."

After reading the essay on Pension Systems one begins to reflect whether the problem of the old aged population is properly approached. Adequate pensions no doubt have to be paid but the more important question is whether the attitude towards the aged is not vitiated largely by financial security, whether in old age, people do not need emotional satisfaction as much as financial security, whether by virtue of the "flat" life in urban areas, we are not creating the problem of confining the aged to special institutions and consequent lack of affectionate care for the aged. It remains to be seen whether the newly industrializing countries which have the additional problem of rapid population growth can solve the problem in a different way. Their kinship family system might be an advantage but can it stand the buffets of economic progress?

While admitting that the social services are an integral part of the industrial-urban society, one may still raise the question whether and to what extent we can build into the administrative structure checks and devices which would ensure personal satisfaction for the large mass of clientele without the costs of administration exceeding the costs of benefits themselves? What proportion of costs of social services goes towards administering the services

makes an interesting study. A more interesting topic for discussion is the degree of social responsibility and the extent of welfare to be provided without destroying the freedom and self-reliance of the individual and the family. In other words, where do we draw the limits for the Welfare State? The concept of national minimum no doubt seeks to limit but the rising costs and standards of living make the concept not a sure guide for drawing the boundaries. One may question here whether one need distrust the State and limit its jurisdiction. The problems of

poverty and disease are so vast and varied that probably one need not seek to answer the question for some more generations to come. It may be hoped that Prof. Titmuss will throw light on these problems in his subsequent works.

The essays by Prof. Titmuss are eminently readable; they contain a deep and penetrating analysis and add to the understanding of the need for large-scale social services in a large-scale industrial and urban society.

—V. Jagannadham



BOOK NOTES

MODELS OF MAN; By HERBERT A. SIMON, London, John Wiley, 1957, xiv, 287p. \$5.00

Though primarily a collection of 16 mathematical essays on rational human behaviour in a social setting, the book deserves special notice by students, scholars and practitioners of administration in India in regard to the new light it throws on "rationality and administrative decision-making" (Part IV). The author propounds a new theory of human rationality—of 'bounded rationality.' Disestablishing the classical concepts of human rationality of the 'economic man,' of the 'administrative man,' and the modern theories of 'games and economic behaviour' and of 'statistical decision,' Prof. Simon explains that man's rationality does not represent an objective orientation to the real world, but only a subjective orientation to his incomplete picture of it, and that the human process of rational choice is in actual practice concerned not with the goal of *maximizing*, but with the goal of *satisfying*, of finding a course of action that is "good enough." The fuller implications of the new theory of 'bounded rationality' for decision-making in public administration are seemingly far reaching; it points to the constraints imposed on the 'administrative man' and the 'administrative organisation' by social and psychological settings. Some of these implications had earlier been discussed by Prof. Simon in his *Administrative Behaviour*.

PARISH ADMINISTRATION; By CHARLES ARNOLD-BAKER. London, Methuen and Co., 1958, xiv, 430p. 42s.

This is a descriptive and comprehensive treatise on the administra-

tion of rural parishes by Parish Councils, Parish Meetings and other Parish Authorities, by the Secretary of the National Association of Parish Councils of France. The first part deals with the structure of parishes, the nature, composition, work procedures, conditions and personnel of the Parish Councils and their finance, powers and programmes. In the second part are contained reprints of the relevant French statutes from 1838 to 1957. The book is rich with footnotes, and designed as one which "a lawyer might...consult but which nevertheless a layman could understand."

ANONYMOUS EMPIRE; S.E. FINDER. London, The Pall Mall, 1958, vii, 150p. 12s. 6d.

It is an interesting study of 'Lobby' in Great Britain, which the author defines as 'The sum of organization in so far as they are occupied at any point of time in trying to influence the policy of public bodies in their own chosen direction; though (unlike political parties) never themselves prepared to undertake the direct government of the country.' The great influence it exercises on the Governmental process, how it works, and its relation with, say, the public, Whitehall, Westminster, members of Parliament, etc., are discussed in detail, supplemented with relevant examples. The title 'Anonymous Empire' has been chosen because the lobbies' day-to-day activities pervade every sphere of domestic policy, in every way and at every nook and cranny of government, thus forming an empire in themselves—but an anonymous one.

The book also contains information on 'The House of Commons by Occupation,' connections of M.Ps.

with 'Outside Bodies' and 'Local Government in Parliament.'

JUNIOR BOARDS OF EXECUTIVES; By JOHN R. CRAF. New York, Harper & Brothers, 1958, xxi, 162p. \$3.50

The book contains an analytical review of the composition, bye-laws, methods of operation and accomplishments of junior boards of directors or executives in 21 American companies. The author's conclusion about the use of these boards as an instrument of training for higher management duties, as a means of valuable suggestions and ideas from middle-management, and as a channel for participation of middle-level employees in management should be of interest in the context of the recent emphasis in India on labour participation in management. Junior boards are conceived as one of the three major elements of 'multiple' management, the other two being factory boards and sales boards. Their object is threefold : 'to provide opportunity for junior executives and young men of potential ability to participate in the management of the company; to provide a clearing house for their ideas and a forum for expression of their opinions in management; and to train and educate them in over-all company operations.'

LEADERSHIP ON THE JOB; Ed. by the Staff of SUPERVISORY MANAGEMENT. New York, American Management Association, 1957, 303p. \$6.00

This handbook is a collection of 41 instructive contributions from specialists in various aspects of industrial management and human relations and is concerned with "the ways good supervisors have found to deal with the bigger problems of the job and bring them down to size." It

is divided in eight major parts: 'The Managers Job,' 'Communication is Management,' 'Building and Developing a Competent Workforce,' 'Employee Attitudes : The "Raw Materials" of Morale,' 'Special Personnel Problems,' 'Managing your Job,' 'Union-Management Relations' and 'The Job beyond the Job—Community Relations.' The treatment of each subject is in the form of tips and suggestions for the supervisor for solving everyday problems and enabling him to lead on the job. Some of the contributions worthy of notice are "Decisiveness and Leadership," "Selection and Placement," "Supervision and Productivity," "Delegation : What are the Barriers?" and "Your Community needs Leaders."

BUDGETARY SYSTEM IN VARIOUS COUNTRIES; By S.L. SHAKDHER. 1958, xii, 123p. Rs. 3.00

This report, prepared by the author in his capacity as a *Rapporteur* of the Autonomous Section (now called Association) of the Secretaries-General of various Parliaments, covers the budgetary systems of 21 countries, including India, Pakistan, U.K., U.S.S.R. Divided in four chapters, the report gives a descriptive analysis of various aspects of budgetary procedures *viz.*, 'Form and Preparation,' 'Presentation and Discussion,' and 'Execution of the Budget and the Control thereon by Parliament.' The last chapter deals with certain general aspects of budgeting in regard to State corporations, audit and accountability of State corporations, public borrowing, excess grant, etc. The significant resemblances and differences between the systems obtaining in the Parliaments of the countries covered in the report have been pin-pointed.

The final report, adopted at the London Conference of the Secreta-

ries-General of Parliaments in September 1957, is also appended.

JOURNAL OF THE INDIAN LAW INSTITUTE; New Delhi, Indian Law Institute, October 1958, Vol. I, No. 1, 206p. Rs. 4 or Sh. 7.6 or \$1.25

This is the first issue of the official quarterly organ of the Indian Law Institute, which was established in December 1957 under the Presidentship of Shri Justice S. R. Das, Chief Justice of India. Edited by Dr. A.T. Markose, it is intended to be the vehicle for the transmission primarily of the research activities of the Institute and also of original legal materials and contributions from the Bench, the Bar and the Law Faculties of Universities, and contains articles, legal cases and comments. The present issue includes mostly texts of the contributions to the Seminar convened by the Institute in December 1957 to focus attention on problems of Public Law in India with special reference to Administrative Law.

THE STUDY OF POLITICAL BEHAVIOUR; By D.E. BUTLER, London, Hutchinson, 1958, 128p. 18s.

This is a refreshingly interesting study of the methodology through which political behaviour can be investigated. It emphasises an empirical study of Politics by concentrating attention on the behavioral aspect—a study that stresses the character and conduct of those concerned in politics much more than events, institutions or ideologies. The major ways of studying political behaviour have been classified and discussed under four heads, the deductive approach, the descriptive approach, the sociological and psychological approach, and the practical approach. This classification,

however, is not too rigid and the author thinks that the four approaches can usefully supplement one another. The contributions of eminent writers on politics and government to each of the four approaches is briefly touched upon in a broad historical perspective, and their limitations are also examined. Although in recent years there have been in Political Science many innovations in method and approach, there have been no spectacular advances and a vast amount of progress can be made through the patient pursuit of the existing lines of research, in particular by accurate observation, description and analysis of the government and of the forces that move men politically.

THE GROWTH OF PUBLIC EMPLOYMENT IN GREAT BRITAIN; By MOSES ABRAMOVITZ & VERA ELIASBERG; Princeton, Princeton University Press, 1957, xiii, 419p. \$3.75.

The book surveys the growth of public employment in Great Britain in the nineteenth, and more particularly in the first half of the twentieth, century. The statistics of public employment in Great Britain are presented in the context of a brief account of economic and political changes and of the development of ideas and attitudes in Britain. The changes in the size of employment are analysed in detail for the three chief branches of government—the central government, the local authorities and the nationalised industries. Certain implicit hypotheses are suggested in regard to the causes of growth of public employment and the main trends in the size of public employment at different levels in Great Britain and the United States are compared to throw some light on these hypotheses. The comparisons suggest to the authors that the relationship between economic

development and size of government is not simple; there are other significant forces also at work. The growth of government generally follows economic development only after a more or less protracted interval. The authors conclude with the cautious note that "The international comparisons...made and the explanatory hypotheses...entertained were and, indeed, could be no more than incidental and tentative explorations in a study whose aims were more modest—to compile measures of the direct use of labour by the British government and to describe its expansion in the context of a summary of major developments influencing British governmental activity."

THE NEW ADMINISTRATOR;
Madras, New Administrator, November 1958, Vol. 1, No. 1, ii, 54p. Re. 1.

It is a new, *popular*, monthly journal, which professes "to promote the cause of pure, economic and efficient public administration." Shri M. Ruthnaswamy, formerly Chairman of the Madras Public Service Commission, is the Chairman of its Editorial Board. The first issue includes a profile of Shri N.R. Pillai, I.C.S., the views of the late Shri Gokhale about "Lord Curzon as an Administrator" and some reminiscences of Shri S. K. Chettur, I.C.S., as a Sub-Collector.

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